

**ESTIMATING THE DISTRIBUTION RATE FOR IMPUTATION CREDITS FOR  
THE TOP 50 ASX COMPANIES**

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## 1. Introduction

This paper estimates the market-wide distribution rate for imputation credits from the Financial Statements of the largest 50 ASX firms, over the 2000-2018 period, by extending earlier analysis by Lally (2018) covering the period 2000-2017.

## 2. Analysis

The distribution rate is the distributions divided by the company tax payments to the ATO:

$$F = \frac{DIST}{TAX} \quad (1)$$

For each company, the distributions can be deduced from the fully franked dividends and the corporate tax rate over this period:

$$DIST = DIV \left( \frac{T_c}{1 - T_c} \right) \quad (2)$$

The dividend payments, and the part that is fully franked, can be obtained from the notes to the Financial Statements.<sup>1</sup> The tax payments to the ATO are less obvious because the tax payments shown in the “Cash Flow Statement” will include payments to foreign tax authorities and separate identification of the payments to the ATO is not generally made in Financial Statements. However, over the period examined (2000-2018), the Franking Balance of the entity will have changed due to tax payments to the ATO and distributions of credits via dividends:

$$B_{2018} = B_{2000} + TAX - DIST$$

The tax payments to the ATO will then be as follows:

$$TAX = DIST + B_{2018} - B_{2000} \quad (3)$$

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<sup>1</sup> In general, this data is drawn from the “Dividends” note to the Financial Statements for each year rather than the “Cash Flow Statement”, because the latter will not include dividends that are subject to a Dividend Reinvestment Plan and also does not indicate whether the dividends are franked.

Most of the firms examined have subsidiaries, and therefore the analysis could in principle be done for either the Parent or the Group. However the Franking Balance is typically only given for either the Parent or the Group. So, if the Franking Balance is given only for the Parent, the entire analysis is done using data for the Parent. Where choice is available, I conduct the analysis at the Group level.

### **3. Results**

The top 50 ASX companies were determined by Lally (2018) as at 1 August 2018, from the ASX website ([www.asx200list.com](http://www.asx200list.com)). These companies include Resmed, James Hardie and Oil Search, which are foreign companies and therefore do not offer franking credits. Accordingly, they are excluded and the next three by market cap were included (Aurizon, Caltex Australia, and Medibank). The results are shown in Table 1, and all of the data underlying Table 1 are provided in the Appendix.

The distribution rates shown in Table 1 range from -7.85 (Goodman) to 9.22 (Lendlease). The overall distribution rate is the aggregate distributions (*DIST*) of \$260.6b divided by the aggregate taxes paid to the ATO (*TAX*) of \$294.1b, and the result is 0.886, as shown in the last row of Table 1. This is almost identical to the figure of 0.888 in Lally (2018) using one year's less data for each company. Furthermore the results are almost identical for the larger and smaller companies in this set, with the top 20 having a distribution rate of 0.884 and the rest a rate of 0.908. Furthermore, as discussed in Lally (2016, section 2.3), these figures are a lower bound on the estimate for a firm with only Australian operations because the analysis includes companies with foreign operations, such operations are not relevant for estimating the distribution rate of regulated Australian business, and the effect of foreign operations appears to be to depress the distribution rate.

### **4. Conclusions**

This paper has estimated the distribution rate for imputation credits for the 50 largest ASX firms, using data from their financial statements, and for the period 2000-2018. The aggregate figure is 0.89, and this is a lower bound on the estimate for a firm with only Australian operations because it includes companies with foreign operations, such operations

are not relevant for estimating the distribution rate of regulated Australian business, and the effect of foreign operations appears to be to depress the distribution rate.

Table 1: Distribution Rates for the Top 50 Companies

Company	<i>B</i> <sub>2000</sub>	<i>B</i> <sub>2018</sub>	<i>DIV</i>	<i>DIST</i>	<i>TAX</i>	<i>DIST RATE</i>
CBA (Parent)	450	1,464	76,399	32,742	33,756	0.97
BHP (Group)	24	14,054	81,233	34,814	48,844	0.71
Westpac (Parent)	-56	1,357	65,581	28,106	29,519	0.95
ANZ (Parent)	0	97	54,073	23,174	23,271	1.00
NAB (Group)	0	844	61,915	26,535	27,379	0.97
Telstra (Group)	74	191	63,195	27,084	27,201	1.00
Woolworths (Group)	418	2,610	18,616	7,978	10,170	0.78
Wesfarmers (Group)	0	978	24,769	10,615	11,593	0.92
CSL (Group)	20	0	367	157	137	1.15
Woodside (Group)	173	2,301	17,259	7,397	9,525	0.78
Rio Tinto (Group)	445	8,068	52,312	22,419	30,043	0.75
MacQuarie (Group)	133	117	3,631	1,556	1,540	1.01
Origin Energy (Group)	0	116	3,229	1,384	1,500	0.92
Suncorp (Group)	70	385	12,358	5,296	5,611	0.94
QBE Ins (Group)	-8	224	4,782	2,050	2,282	0.90
Brambles (Group)	188	85	1,553	666	563	1.18
Santos (Group)	360	466	4,197	1,799	1,905	0.94
AMP (Group)	80	148	7,916	3,393	3,461	0.98
Amcor (Group)	0	0	593	254	254	1.00
Transurban (Group)	72	139	817	350	417	0.84
Scentre (Group)	164	113	428	183	132	1.39
Aristocrat (Group)	0	106	891	382	488	0.78
Ins Aust (Group)	489	100	9,647	4,134	3,745	1.10
South 32 (Group)	0	201	870	373	574	0.65
Goodman	43	0	89	38	-5	-7.85
Newcrest (Group)	0	12	151	65	77	0.84
Sydney Airport	0	0	0	0	0	1.00
Cimic (Group)	597	44	1,585	679	126	5.38
AGL (Group)	0	-94	3,564	1,527	1,433	1.07
Fortescue (Group)	0	1,757	3,740	1,603	3,360	0.48

Treasury Wine (Gr)	0	70	210	90	160	0.56
ASX (Group)	6	269	4,358	1,868	2,131	0.88
Cochlear	9	39	1,076	461	491	0.94
Lendlease	968	14	2,497	1,070	116	9.22
APA (Group)	1	3	161	69	71	0.97
REA (Group)	25	344	623	267	586	0.46
Qantas (Group)	174	0	4,095	1,755	1,586	1.11
Ramsay (Parent)	0	573	1,946	834	1,407	0.59
Sonic (Parent)	5	0	1,721	737	732	1.01
Vicinity						
Dexus	17	57	138	59	99	0.60
Stockland	10	14	0	0	4	0
Computershare (Gr)	27	69	711	305	346	0.88
Bluescope (Parent)	106	0	2,247	963	857	1.12
Tabcorp (Parent)	-5	74	5,448	2,335	2,414	0.97
Crown Resorts (Gr)	49	35	2,412	1,034	1,020	1.01
GPT						
Aurizon (Group)	8	72	1,225	525	589	0.89
Caltex Aus (Parent)	0	1,007	2,594	1,112	2,119	0.52
Medibank (Group)	42	136	931	399	493	0.81
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Total				260,637	294,124	0.886
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For each company, the Franking Balance in 2000 ( $B_{2000}$ ) and 2018 ( $B_{2018}$ ) is drawn from the financial statements, along with the fully franked dividends over that period ( $DIV$ ). Since  $DIV$  is fully franked dividends, the distribution of credits ( $DIST$ ) is  $DIV(3/7)$ . The payment of company tax to the ATO ( $TAX$ ) is the sum of  $DIST$  and the increase in the Franking Balance. The distribution rate is then  $DIST/TAX$ . All figures are \$m.

## APPENDIX

This Appendix provides the data underlying Table 1.

### **CBA (Parent)**

The Franking Balance (FB) for the Parent for 2018 is \$1,464m, as reported in the Financial Statements. The FB for 2000 is \$450m, as reported in the Financial Statements.<sup>2</sup> These figures for 2000 are for the Group but the figures for the Parent are presumably the same because the dividends are the same. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements (and the Directors' Report for 2001 and 2002), and involving adding together the Interim Dividend for the year in question and the Final Dividend declared in the previous year but paid in the year in question:<sup>3</sup>

\$1681m, \$1785m, \$1892m, \$2062m, \$2398m, \$2645m, \$3048m, \$3426m, \$3691m, \$3588m, \$4678m, \$5096m, \$5776m, \$6174m, \$6744m, \$6994m, \$7237m, and \$7484m.

For the 2000-2018 period, the total multiplied by 3/7 is \$32,742m, and represents the total distributions from the Franking Account (*DIST*). The company tax payments to the ATO (*TAX*) are then *DIST* plus the growth in FB, which is \$33,756m.

### **BHP (Group)**

The FB for the Group for 2018 is US\$10,400m, as reported in the Financial Statements, which is converted at the prevailing exchange rate of 0.74 (US\$ per A\$1) as reported by the RBA, to yield \$14,054m. The FB for the Group for 2000 is \$24m, as reported in the Financial Statements. The fully franked dividends in \$US are as follows, for the years 2001 – 2018 respectively, drawn from the Cash Flow Statements rather than the Dividends Note to

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<sup>2</sup> These figures are net of adjustments for tax not yet paid at balance date but payable in respect of profits for the year ending on the balance date in question, and for credits distributed with dividends paid after balance date but declared before balance date. The second of these adjustments could be reversed out but the first cannot (because the extent of these tax payments is not known). Accordingly, no adjustment is made. If the only adjustment were for dividends, the adjustment would be made and this occurs for some companies examined in this Appendix.

<sup>3</sup> There is sometimes ambiguity over whether the final dividend reported in the Dividends Note for a particular year has been paid in that year or merely declared and paid in the following year. If in doubt, I assume the former. The effect of any such errors on the distribution rate for credits would be slight.

the Financial Statements (because the former includes the dividends paid to the minority shareholders, but with checking against the information in the Dividends Note to check for fully franked and there was no DRP):

\$524m\*(26/51), \$831m, \$868m, \$1576m, \$1642m, \$2126m, \$2339m, \$3250m, \$4969m, \$4895m, \$5144m, \$5933m, \$6222m, \$6506m, \$7052m, \$4217m, \$3502m, and \$6,802m.

The exchange rates used for the conversion (US\$ per A\$1) are the average over the financial year, as reported in the Accounting Policies Note in the Financial Statements (or the RBA otherwise) as follows:

0.53, 0.52, 0.58, 0.71, 0.75, 0.75, 0.79, 0.90, 0.75, 0.88, 0.99, 1.03, 1.03, 0.92, 0.84, 0.73, 0.75, and 0.78.

For the 2000-2018 period, converting at these rates and adding up, the total multiplied by 3/7 is \$34,814m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$48,844m.

### **Westpac (Parent)**

The FB for the Parent for 2018 is \$1,357m, as reported in the Financial Statements. The FB for the Group for 2000 is -\$56m, as reported in the Financial Statements, but this is likely to be similar to the figure for the Parent because the dividends are very similar. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements for the years 2000-2014 and otherwise from the Statement of Changes in Equity:

\$1017m, \$1157m, \$1304m, \$1474m, \$1667m, \$1981m, \$2270m, \$2583m, \$2994m, \$3700m, \$4500m, \$4931m, \$5568m, \$5844m, \$5752m, \$6129m, \$6301m, and \$6,409m.

For the 2000-2018 period, the total multiplied by 3/7 is \$28,106m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$29,519m.

### **ANZ (Parent)**

The FB for the Parent for 2018 is \$97m, as reported in the Financial Statements. The FB for the Parent for 2000 is zero, as reported in the Financial Statements. The fully franked



dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$995m, \$1155m, \$1333m, \$1598m, \$1877m, \$2068m, \$2363m, \$2506m, \$2452m, \$2667m, \$3491m, \$3691m, \$4082m, \$4694m, \$4906m, \$5001m, \$4609m, and \$4585m.

For the 2000-2018 period, the total multiplied by 3/7 is \$23,174m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$23,271m.

### **NAB (Group)**

The FB for the Group for 2018 is \$844m, as reported in the Financial Statements. The FB for the Group for 2000 is zero, as reported in the Financial Statements. The fully franked dividends for the Group are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:<sup>4</sup>

\$2080m, \$2355m - \$120m, \$2360m - \$120m, \$2503m, \$2586m\*0.9, \$2661m\*0.8, \$2788m\*0.9, \$3124m, \$3069m, \$3102m, \$3490m, \$3955m, \$4249m, \$4553m, \$4670m, \$5161m, \$5216m, and \$5,303m.

For the 2000-2018 period, the total multiplied by 3/7 is \$26,535m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$27,379m.

### **Telstra (Group)**

The FB for the Group for 2018 is \$191m, as reported in the Financial Statements. The FB for the Group for 2000 is \$74m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Cash Flow Statements rather than the Dividends Note to the Financial Statements (because the former includes the dividends paid to the minority shareholders, but with checking against the information in the Dividends Note to ensure all were fully franked and there was no DRP):

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<sup>4</sup> In some years, the dividends are only reported for the Parent in the Dividends Note, but the dividends reported in the Cash Flow Statement for the Group and Parent are almost identical, so the figures in the Dividends Note can be extrapolated to the Group.

\$2316m, \$2831m, \$3345m, \$3186m, \$4131m, \$4970m, \$3479m, \$3498m, \$3517m, \$3494m, \$3489m, \$3491m, \$3508m, \$3567m, \$3700m, \$3787m, \$3736m, and \$3150.

For the 2000-2018 period, the total multiplied by 3/7 is \$27,084m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$27,201m.

### **Woolworths (Group)**

The FB for the Group for 2018 is \$2,610m, as reported in the Financial Statements. The FB for the Group for 2000 is \$418m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$500m, \$312m, \$381m, \$428m, \$500m, \$613m, \$788m, \$1006m, \$1174m, \$1349m, \$1457m, \$1516m, \$1597m, \$1703m, \$1753m, \$1471m, \$860m, and \$1208m.

For the 2000-2018 period, the total multiplied by 3/7 is \$7,978m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$10,170m.

### **Wesfarmers (Group)**

The FB for the Group for 2018 is \$978m, as reported in the Financial Statements. The FB for the Group for 2000 is zero, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$245m, \$459m, \$446m, \$500m, \$546m, \$725m, \$889m, \$997m, \$1487m, \$1330m, \$1562m, \$1793m, \$1990m, \$2164m, \$2600m, \$2272m, \$2235m, and \$2529m.

For the 2000-2018 period, the total multiplied by 3/7 is \$10,615m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$11,593m.

### **CSL (Group)**

The FB for the Group for 2018 is not reported but is presumably zero because the 2018 dividends are unfranked. The FB for the Group for 2004 is \$20m, being the amount of retained profits that could be distributed as fully franked dividends of \$47m (as reported in

the Financial Statements) multiplied by 3/7. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2005 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$85m, \$58m, zero, \$50m, \$138m, zero, \$27m, \$9m, 0, 0, 0, 0, 0, and 0.

For the 2000-2018 period, the total multiplied by 3/7 is \$157m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$137m.

### **Woodside (Group)**

The FB for the Group for 2018 is US\$1,634m, as reported in the Financial Statements, which is converted at the prevailing exchange rate of 0.71 (US\$ per A\$1) as reported by the RBA, to yield \$2,301m. The FB for the Group for 2000 is \$173m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements (with the dividends for 2009 – 2018 reported in \$US and converted at the average exchange rate over the year shown in brackets below as US\$ per A\$1 from the RBA):

\$560m, \$446m, \$413m, \$347m, \$447m, \$713m, \$847m, \$929m, US\$574m (0.79), US\$773m (0.92), US\$866m (1.03), US\$979m (1.04), US\$1738m (0.97), US\$1764m (0.90), US\$1730m (0.75), US\$640m (0.74), US\$826m (0.77) and US\$909m (0.75).

For the 2000-2018 period, the total multiplied by 3/7 is \$7,397m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$9,525m.

### **Rio Tinto (Group)**

The FB for the Group for 2018 is US\$5,648m, comprising the retained earnings that could be distributed as fully franked dividends of US\$6,178m (which is net of the outflow of credits on the final dividend declared in financial year 2017 of US\$7,000m but paid in the next financial year) plus that dividend, as reported in the Financial Statements, multiplied by 3/7. Converting at the year-end exchange rate of US0.70 per A\$1 as reported in the Financial Statements yields \$7,955m. The FB for the Group for 2000 is \$445m, comprising the retained earnings that could be distributed as fully franked dividends of zero (which is net of the outflow of credits on the final dividend declared in financial year 2000 of \$1,038m but

paid in the next financial year) plus that dividend, as reported in the Financial Statements, multiplied by 3/7. The fully franked dividends in \$US are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$812m, \$826m, \$882m, \$1062m, \$1143m, \$2573m, \$1507m, \$1933m, \$876m, \$1754m, \$2236m, \$3038m, \$3322m, \$3710m, \$4076m, \$2725m, \$4250m and \$5356m.

The exchange rates for the conversion (US\$ per A\$1) are the averages over the financial year, as reported in the Exchange Rates Note in the Financial Statements:

0.52, 0.54, 0.65, 0.73, 0.76, 0.75, 0.84, 0.86, 0.79, 0.92, 1.03, 1.04, 0.97, 0.90, 0.75, 0.74, 0.77 and 0.75.

For the 2000-2018 period, converting at these rates and adding up, the total multiplied by 3/7 is \$22,419m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$30,043m.

### **Macquarie (Group)**

The FB for the Group for 2018 is \$117m, as reported in the Financial Statements. The FB for the Group for 2008 is \$133m, as reported in the Financial Statements. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2009 – 2018 respectively, and drawn from the Dividends Note to the Financial Statements:

\$880m, \$122m\*0.6, 0, 0, 0, \$1159\*0.4, \$931m\*0.4, \$1208m\*0.4, (\$816m\*0.4 + \$646m\*0.45), and \$1649m\*0.45.

For the 2000-2018 period, the total multiplied by 3/7 is \$1,556m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$1,540m.

### **Origin Energy (Group)**

The FB for the Group for 2018 is \$116m, as reported in the Financial Statements. The FB for the Group for 2000 is zero, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$23m, \$34m, \$13m, \$53m, \$94m, \$134m, \$158, \$201m, \$554m, \$439m, \$442m, \$538m, 546m, 0, 0, 0, 0 and 0.

For the 2000-2018 period, the total multiplied by 3/7 is \$1,384m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$1,500m.

### **Suncorp (Group)**

The FB for the Group for 2018 is \$385m, as reported in the Financial Statements. The FB for the Group for 2000 is \$70m, being the amount of retained profits that could be distributed as fully franked dividends of \$136m (as reported in the Financial Statements) multiplied by 0.34/0.66. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$229m, \$300m, \$305m, \$335m, \$458m, \$920m, \$573m, \$993m, \$729m, \$440m, \$444m, \$511m, \$769m, \$1088m, \$1386m, \$1025m, \$911m, and \$942m.

For the 2000-2018 period, the total multiplied by 3/7 is \$5,296m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$5,611m.

### **OBE (Group)**

The FB for the Group for 2018 is \$224m, as reported in the Financial Statements. The FB for the Group for 2000 is -\$8m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements (with the dividends for 2010 – 2013 reported in \$US and converted at the average exchange rate over the year shown below as US\$ per A\$1 from the RBA):

\$19m, \$37m, \$34m, \$126m, \$241m, \$344m, \$566m, \$396m, \$255m, US\$217m (0.92), US\$139m (1.03), US\$146m (1.04), US\$349m (0.97), \$342m, \$574m, (\$288m\*0.5 + \$411m), (\$302m\*0.3 + \$453m\*0.5) and \$351m\*0.3.

For the 2000-2018 period, the total multiplied by 3/7 is \$2,050m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$2,282m.

### **Brambles (Group)**

The FB for the Group for 2018 is US\$63m, as reported in the Financial Statements, and converting at the balance date exchange rate of US0.74 per A\$1 (from the RBA) yields \$85m. The FB for the Group for 2006 is US\$139m, as reported in the Financial Statements, and converting at the balance date exchange rate of US0.74 per A\$1 (from the RBA) yields \$188m. Earlier Financial Statements could not be located. The fully franked dividends in \$US are as follows, for the years 2007 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$356m, \$66m, \$34m, \$65m, \$75m, \$80m, \$128m, \$118m, \$108m, \$90m, \$87m and \$106m.

The exchange rates for the conversion (US\$ per A\$1) are the averages over each of the financial years (from the RBA):

0.79, 0.90, 0.75, 0.88, 0.99, 1.03, 1.03, 0.92, 0.84, 0.73, 0.75 and 0.78.

For the 2000-2018 period, converting at these rates and adding up, the total multiplied by 3/7 is \$666m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$563m.

### **Santos (Group)**

The FB for the Group for 2018 is US\$331m, as reported in the Financial Statements, and converting at the balance date exchange rate of US0.71 per A\$1 (from the RBA) yields \$466m. The FB for the Group for 2000 is \$360m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements (with the dividends for 2016 and 2018 reported in \$US and converted at the average exchange rate over the year shown below as US\$ per A\$1 from the RBA):

\$180m, \$200m, \$198m, \$213m, \$243m, \$268m, \$269m, \$286m, \$327m, \$350m, \$263m, \$285m, \$289m, \$341m, \$298m, US\$66m (0.74), 0, and US\$73m (0.75).

For the 2000-2018 period, the total multiplied by 3/7 is \$1,799m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$1,905m.

### **AMP (Group)**

The FB for the Group for 2018 is \$148m, as reported in the Financial Statements. The FB for the Group for 2002 is \$80m, as reported in the Financial Statements. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2003 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$51m, \$322m, \$392m, \$556m, \$685m, \$765m, \$412m, \$351m, \$315m, \$399m, \$475m, \$710m\*0.7, (\$399m\*0.8 + \$414m\*0.85), \$828m\*0.9, \$837m\*0.9, and (.5\*\$292m + .9\*\$423m).

For the 2000-2018 period, the total multiplied by 3/7 is \$3,393m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$3,461m.

### **Amcor (Group)**

The FB for the Group for 2018 is zero, as reported in the Financial Statements. The FB for the Group for 2000 is not reported in the Financial Statements but is presumably zero because the 2001 dividends are not fully franked. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$88m, \$103m, \$120m, \$106m, \$98m, \$55m, \$23m, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, and 0

For the 2000-2018 period, the total multiplied by 3/7 is \$254m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$254m.

### **Transurban (Group)**

The Franking Balance (FB) for the Group for 2018 is \$139m, as reported in the Financial Statements. The FB for 2007 is \$72m, as reported in the 2009 Financial Statements. No Financial Statements for 2007 could be located, and therefore earlier Financial Statements were not examined. The fully franked dividends are as follows, for the years 2008 – 2018 respectively, drawn from the Dividends Note to the Financial Statements.

\$8m, \$19m, 0, 0, \$51m, \$102m, \$104m, \$134m, \$134m, \$142m, and \$123m.

For the 2008-2018 period, the total multiplied by 3/7 is \$350m, and represents the total distributions from the Franking Account (*DIST*). The company tax payments to the ATO (*TAX*) are then *DIST* plus the growth in FB, which is \$417m.

### **Scentre (Group)**

The FB for the Group for 2018 is \$113m, as reported in the Financial Statements. The FB for the Parent for 2014 is \$164m, as reported in the Financial Statements (the figure for the Group was not reported). The company resulted from a restructure and merger in June 2014 (mid-way through the financial year), and therefore data was collected from December 2014. The fully franked dividends are as follows, for the years 2015 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$151m, 0, \$152m, and \$125m.

For the 2015-2018 period, the total multiplied by 3/7 is \$183m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$132m.

### **Aristocrat Leisure (Group)**

The FB for the Group for 2018 is \$106m, as reported in the Financial Statements. The FB for the Group for 2004 is 0, as reported in the Financial Statements. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2005 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$48m, \$149m, \$176m, \$178m, \$69m, 0, 0, 0, 0, 0, 0, 0, 0, 0, \$22m, and \$249m.

For the 2005-2018 period, the total multiplied by 3/7 is \$382m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$488m.

### **Insurance Australia (Group)**

The FB for the Group for 2018 is \$100m, as reported in the Financial Statements. The FB for the Group for 2000 is \$489m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Cash Flow Statements rather than the Dividends Note to the Financial Statements (because the former



includes the dividends paid to the minority shareholders, but with checking against the information in the Dividends Note to ensure all were fully franked and there was no DRP):

\$90m, \$173m, \$222m, \$354m, \$538m, \$736m, \$579m, \$594m, \$290m, \$386m, \$378m, \$290m, \$563m, \$904m, \$1042m, \$1014m, \$691m, and \$803m.

For the 2001-2018 period, the total multiplied by 3/7 is \$4,134m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$3,745m.

### **South32 (Group)**

The FB for the Group for 2018 is US\$149m, as reported in the Financial Statements, and conversion to A\$ using the balance date (30 June) exchange rate of 0.74 (from RBA data) yields A\$201m. The FB for the Group for 2016 is zero, as reported in the Financial Statements. The company was a spin-off from BHP Billiton in May 2015 but the Financial Statements for 2015 do not give a Franking Balance, and therefore data is collected from the Franking Balance at the end of the 2016 year. The fully franked dividends for the Group are zero for the year 2017, and US\$679m for the 2018 year, drawn from the Dividends Note to the Financial Statements. The latter is converted to AUD using the average exchange rate over the 2017-2018 year of 0.78 (from RBA data), to yield \$870m.

The total multiplied by 3/7 is \$373m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$574m.

### **Goodman**

The FB for 2015 is 0, as reported in the Financial Statements (the figure is not provided in the 2018 Financial Statements). The FB for 2010 is \$43m, as reported in the Financial Statements. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2011 – 2015 respectively, drawn from the Dividends Note to the Financial Statements:

0, 0, 0, \$89m, and 0.

For the 2011-2015 period, the total multiplied by 3/7 is \$38m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is -\$5m.

### **Newcrest (Group)**

The FB for the Group for 2018 is US\$9m, as reported in the Financial Statements, and converting to A\$ using the balance date (30 June) exchange rate of 0.74 (from RBA data) yields A\$12m. The FB for the Group for 2007 is 0, as reported in the 2008 Financial Statements. No earlier Financial Statements could be located. The fully franked dividends are as follows, for the years 2008 – 2018 respectively, drawn from the Dividends Note to the Financial Statements (with the last figure in \$US, converted at the average exchange rate over the year of 0.77 using RBA data):

0, 0, 0, 0, 0, \$26m, 0, 0, 0, 0, and US\$98m(0.78).

For the 2008-2018 period, the total multiplied by 3/7 is \$65m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$77m.

### **Sydney Airport**

The FB for 2018 is 0, as reported in the Financial Statements. The FB for 2011 is 0, as reported in the Financial Statements. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2012 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

0, 0, 0, 0, 0, 0, and 0.

For the 2012-2018 period, the total multiplied by 3/7 is 0 (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is 0.

### **Cimic (Group)**

The FB for the Group for 2018 is \$44m, as reported in the Financial Statements. The FB for the Group for 2014 is \$597m, as reported in the Financial Statements. Earlier Financial Statements are not used because there was a very substantial increase in the Franking Balance from 2013 to 2014, presumably due to a merger at that time and the fact that the 2013 Financial Statements are for only one of the merging firms (Leighton Holdings). The fully franked dividends are as follows, for the years 2015 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$386m, \$333m, \$396m, and \$470m.

For the 2015-2018 period, the total multiplied by 3/7 is \$679m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$126m.

### **AGL Energy (Group)**

The FB for the Group for 2018 is -\$94m, as reported in the Financial Statements. The FB for the Parent for 2006 is 0, as reported in the 2007 Financial Statements (the figure for the Group should be the same because the dividends are the same whenever both are reported). No earlier Financial Statements could be located, presumably because the firm listed in 2006. The fully franked dividends are as follows, for the years 2007 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$36m, \$226m, \$236m, \$256m, 0, \$278m, \$340m, \$351m, \$387m, \$446m, \$462m, and \$546m.

For the 2007-2018 period, the total multiplied by 3/7 is \$1,527m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$1,433m.

### **Fortescue (Group)**

The FB for the Group for 2018 is \$1,757m, as reported in the Financial Statements. The FB for the Group for 2010 is 0, as reported in the Financial Statements. The fully franked dividends in \$US are as follows, for the years 2011 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

0, \$257m, \$131m, \$562m, \$363m, \$113m, \$762m, and \$885m.

The exchange rates for the conversion (US\$ per A\$1) are the averages over the financial year, drawn from the RBA.

NA, 1.03, 1.03, 0.92, 0.84, 0.73, 0.75, and 0.77.

For the 2011-2018 period, converting at these rates and adding up, the total multiplied by 3/7 is \$1,603m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$3,360m.

### **Treasury Wine Estates (Group)**

The FB for the Group for 2018 is \$70m, as reported in the Financial Statements. The FB for the Group for 2010 is 0, as reported in the Financial Statements. No earlier Financial Statements could be located, presumably because the firm listed in 2011. The fully franked dividends are as follows, for the years 2011 – 2018 respectively, drawn from the Dividends Note to the Financial Statements (and the Directors Report for the franking status of some of the dividends):

0, \$39m, \$42m, 0, 0, 0, 0, and \$129m.

For the 2011-2018 period, the total multiplied by 3/7 is \$90m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$160m.

### **ASX (Group)**

The FB for the Group for 2018 is \$269m, as reported in the Financial Statements. The FB for the Group for 2000 is \$6m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2017 respectively, and drawn from the Dividends Note to the Financial Statements:

\$59m, \$37m, \$43m, \$76m, \$98m, \$110m, \$233m, \$325m, \$315m, \$281m, \$304m, \$325m, \$303m, \$330m, \$353m, \$376m, \$389m, and \$401m.

For the 2006-2018 period, the total multiplied by 3/7 is \$1,868m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$2,131m.

### **Cochlear**

The FB for 2018 is \$39m, as reported in the Financial Statements. The FB for 2005 is \$9m, as reported in the Financial Statements. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2006 – 2018 respectively, and drawn from the Dividends Note to the Financial Statements:

\$49m, \$60m, \$78m, \$90m, \$107m, \$71m, \$89m, \$53m, \$22m, \$32m, \$120m, \$144m, and \$161m.

For the 2006-2018 period, the total multiplied by 3/7 is \$461m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$491m.

### **Lendlease**

The FB for 2018 is \$14m, as reported in the 2019 Financial Statements. The FB for 2000 is \$968m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$1,303m, \$74m, \$83m, 0, 0, \$236m, \$194m, \$153m, \$129m, \$166m, \$124m, 0, 0, 0, \$34m, 0, 0, and 0.

For the 2001-2018 period, the total multiplied by 3/7 is \$1,070m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$116m.

### **APA (Group)**

The FB for the Group for 2018 is \$3m, as reported in the Financial Statements. The FB for the Group for 2001 is \$1m. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2002 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

0, 0, 0, \$26m, \$18m, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, \$52m, and \$65m.

For the 2002-2018 period, the total multiplied by 3/7 is \$69m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$71m.

### **REA (Group)**

The FB for the Group for 2018 is \$344m, as reported in the Financial Statements. The FB for the Group for 2008 is \$25m, as reported in the Financial Statements. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2009 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

0, \$13m, \$34m, \$37m, \$48m, \$63m, \$85m, \$101m, \$113m, and \$129m.

For the 2009-2018 period, the total multiplied by 3/7 is \$267m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$586m.

### **Qantas (Group)**

The FB for the Group for 2018 is \$5m, as reported in the Financial Statements. The FB for the Group for 2000 is \$174m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$723m, \$242m, \$281m, \$305m, \$353m, \$402m, \$513m, \$640m, \$439m, 0, 0, 0, 0, 0, 0, 0, \$197m, and 0.

For the 2001-2018 period, the total multiplied by 3/7 is \$1,755m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$1,586m.

### **Ramsay Health Care (Parent)**

The FB for the Parent for 2018 is \$573m, as reported in the Financial Statements. The FB for the Group for 2002 is 0, as reported in the Financial Statements. Earlier Financial Statements do not provide Franking Balances. The fully franked dividends are as follows, for the years 2003 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$8m, \$21m, \$25m, \$52m, \$62m, \$71m, \$77m, \$92m, \$112m, \$129m, \$144m, \$166m, \$199m, \$230m, \$265m, and \$293m.

For the 2003-2018 period, the total multiplied by 3/7 is \$834m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$1,407m.

### **Sonic Health Care (Parent)**

The FB for the Parent for 2017 is 0, as reported in the Financial Statements. The FB for the Parent for 2000 is \$5m, as reported in the Financial Statements. The fully franked dividends

are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$28m, \$40m, \$63m, \$71m, \$90m, \$108m, \$127m, \$162m, \$158m, \$80m, \$74m, \$71, \$106m, \$115m, \$152m, \$128m, \$81m, and \$66m.

For the 2001-2018 period, the total multiplied by 3/7 is \$737m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$732m.

### **Vicinity Centres**

The Financial Statements do not contain any information on franking credits and therefore data from this company could not be used.

### **Dexus**

The FB for 2018 is \$57m, as reported in the Financial Statements. The FB for 2011 is \$17m, as reported in the Financial Statements. Earlier Financial Statements could not be located. The fully franked dividends are as follows, for the years 2012 – 2018 respectively, drawn from the Dividends Note to the Financial Statements (which reports the franking credits distributed through the dividends):

0, 0,  $\$6m \times (7/3) = \$14m$ , 0,  $\$11m \times (7/3) = \$26m$ ,  $\$21m \times (7/3) = \$49m$ , and  $\$21m \times (7/3) = \$49m$ .

For the 2012-2018 period, the total multiplied by 3/7 is \$59m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$99m.

### **Stockland**

The FB for 2018 is \$14m, as reported in the Financial Statements. The FB for 2010 is \$10m, as reported in the Financial Statements. No earlier Financial Statements could be located. The fully franked dividends, for the years 2011 – 2018 respectively and drawn from the Dividends Note to the Financial Statements, are all zero.

For the 2011-2018 period, the total multiplied by 3/7 is 0 (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$4m.

### **Computershare (Group)**

The FB for the Group for 2018 is US\$51m, as reported in the Financial Statements, and conversion to A\$ using the balance date (30 June) exchange rate of 0.74 (from RBA data) yields A\$69m. The FB for the Group for 2000 is  $\$53m \times (34/66) = \$27m$ , as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Directors Reports (because they give the A\$ figures whereas the Financial Statements and Notes are in US\$):

\$5m, \$10m, \$36m, \$37m, \$32m, 0, 0, \$11m, \$43m, \$69m, \$93m, \$93m, \$62m, \$31m, \$33m, \$110m, \$46m, and 0.

For the 2001-2018 period, the total multiplied by 3/7 is \$305m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$346m.

### **Bluescope Steel (Parent)**

The FB for the Parent for 2018 is 0, as reported in the Financial Statements. The FB for the Parent for 2003 is \$106m, as reported in the Financial Statements (the situation for 2002 is unclear because the Balance Date of 30 June occurs before the separation from BHP Billiton on 22 July). The fully franked dividends are as follows, for the years 2004 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$242m, \$343m, \$453m, \$321m, \$355m, \$252m, 0, \$128m, 0, 0, 0, \$17m, \$34m, \$40m, and \$62m.

For the 2004-2018 period, the total multiplied by 3/7 is \$963m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$857m.

### **Tabcorp (Parent)**

The FB for the Parent for 2018 is \$74m, as reported in the Financial Statements. The FB for the Parent for 2000 is -\$5m, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:



\$190m, \$235m, \$240m, \$270m, \$393m, \$446m, \$483m, \$493m, \$433m, \$363m, \$318m, \$223m, \$161m, \$120m, \$367m, \$183m, \$204m, and \$326m.

For the 2001-2018 period, the total multiplied by 3/7 is \$2,335m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$2,414m.

### **Crown Resorts (Group)**

The FB for the Group for 2018 is \$35m, as reported in the Financial Statements. The FB for the Group for 2007 is \$49m, as reported in the Financial Statements. No earlier Financial Statements could be located, presumably due to the listing of the company in 2007. The fully franked dividends are as follows, for the years 2008 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$241m, \$162m, \$168m, \$168m, \$136m, \$135m, \$135m, \$135m, \$189m, \$695m, and \$248m.

For the 2008-2018 period, the total multiplied by 3/7 is \$1,034m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$1,020m.

### **GPT**

The Financial Statements do not contain any information on the Franking Balance, and therefore data from this company could not be used.

### **Aurizon (Group)**

The FB for the Group for 2018 is \$72m, as reported in the Financial Statements. The FB for the Group for 2012 is \$8m, as reported in the Financial Statements. Earlier Financial Statements do not report the Franking Balance. The fully franked dividends are as follows, for the years 2013 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$61m, \$294m, 0, \$253m, \$386m, and \$231m.

For the 2013-2018 period, the total multiplied by 3/7 is \$525m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$589m.

### **Caltex Australia (Parent)**

The FB for the Parent for 2018 is \$1,007m, as reported in the Financial Statements. The FB for the Parent for 2000 is 0, as reported in the Financial Statements. The fully franked dividends are as follows, for the years 2001 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

0, 0, \$11m, \$76m, \$108m, \$170m, \$257m, \$186m, 0, \$149m, \$127m, \$121m, \$108m, \$100m, \$262m, \$319m, \$292m, and \$308m.

For the 2001-2018 period, the total multiplied by 3/7 is \$1,112m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$2,119m.

### **Medibank (Group)**

The FB for the Group for 2018 is \$136m, as reported in the Financial Statements. The FB for the Group for 2015 is \$42m, as reported in the Financial Statements. The FB was set to zero in November 2014, and therefore the analysis is conducted from the end of that financial year (June 2015). The fully franked dividends are as follows, for the years 2016 – 2018 respectively, drawn from the Dividends Note to the Financial Statements:

\$284m, \$310m, and \$337m.

For the 2016-2018 period, the total multiplied by 3/7 is \$399m (*DIST*). The *TAX* is then *DIST* plus the growth in FB, which is \$493m.

## REFERENCES

Lally, M., 2016. *Review of the ACT's Gamma Decision*, report prepared for the QCA ([www.qca.org.au](http://www.qca.org.au)).

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