

Australian Tax Governance Report

1. Introduction - our approach to Tax

Ramsay Health Care Limited ('Ramsay') is an Australian corporation listed on the ASX and subject to all applicable Australian corporate regulations, including public reporting. Ramsay's business primarily involves the operation of private hospitals in Australia and overseas in England, France, Malaysia and Indonesia.

Ramsay is committed to being a responsible corporate taxpayer. Ramsay values ethical behaviour, integrity and respect in all aspects of its operations including its approach to tax. Ramsay is open and transparent in its approach to tax.

Ramsay supports and adopts the Board of Taxation's voluntary tax transparency code and is pleased to present its Tax Governance Report ("Report").

2. Tax corporate governance

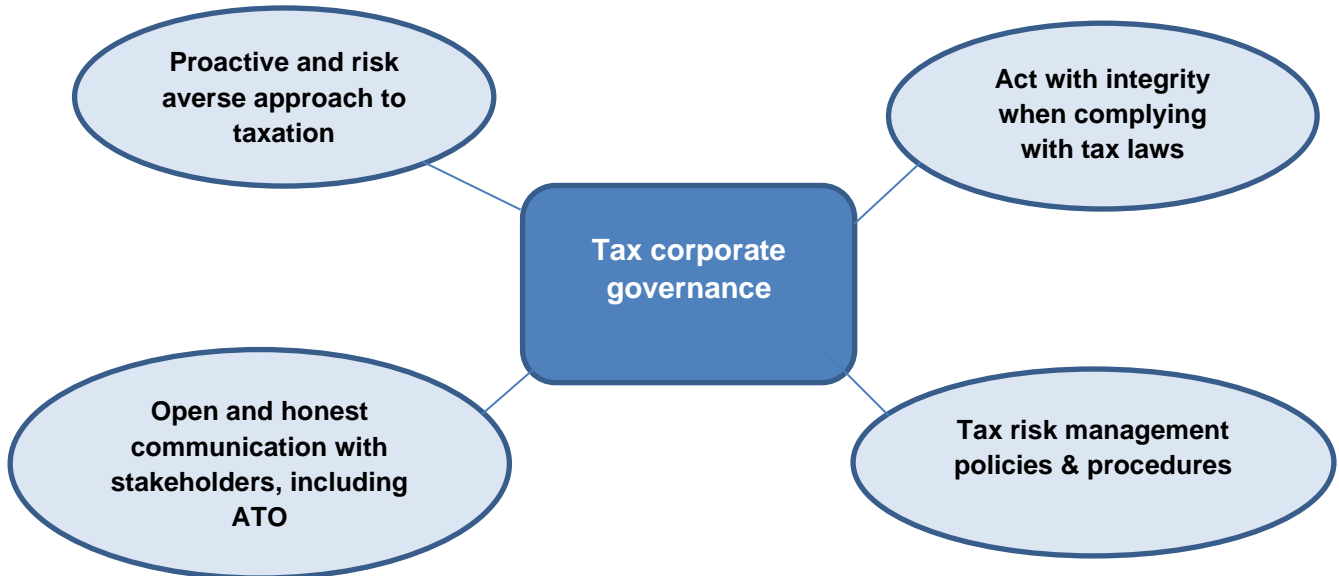
(i) Role of Board

The Board of Directors' role includes ensuring good tax corporate governance. Part of exercising good tax corporate governance involves the establishment of a strong framework for managing tax risk.

The Board acknowledges the need to articulate and disseminate the acceptable level of tax risk tolerance within Ramsay. In this regard, Ramsay adopts a proactive and risk averse approach to taxation built upon transparency and pro-active engagement with the Revenue authorities.

(ii) Tax corporate governance – elements

Key elements to maintaining a high standard of tax corporate governance are shown below.

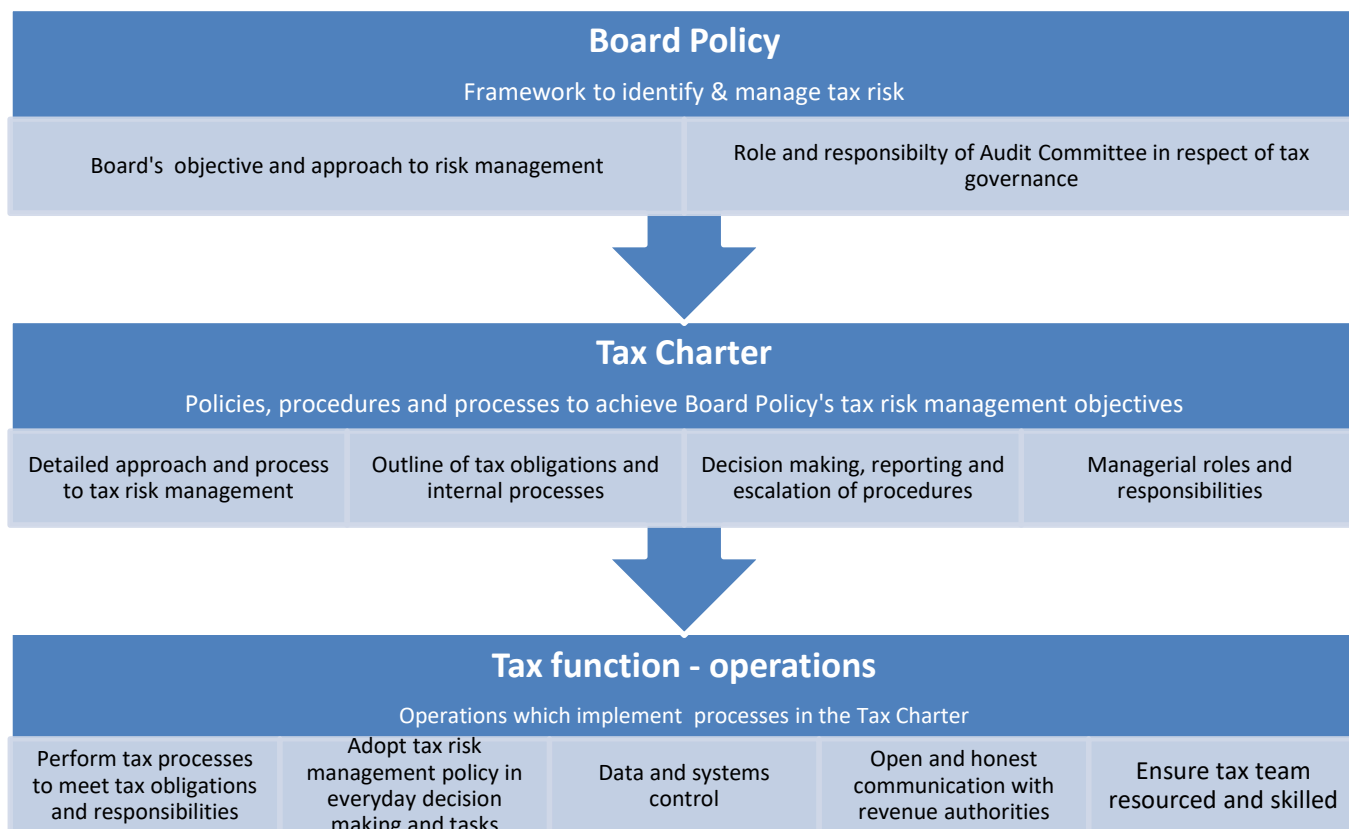


3. Overview of Ramsay's Australian tax corporate governance framework

Ramsay's tax corporate governance framework and its documented policies and procedures have been in place for many years. Important elements of Ramsay's tax corporate governance documentation include:

- The process by which Ramsay will identify, assess and mitigate Australian tax risks
- The Board's tolerable level of tax risk in accordance with its proactive and risk averse approach to taxation
- A framework for the management of, and requisite reporting levels for, each type of tax risk
- Roles and responsibilities are clearly articulated.

Please refer below a diagrammatical approach to the tax corporate governance framework.



4. Tax contribution at a glance

- Ramsay Australia has an effective income tax rate that approximates the statutory corporate income tax rate in Australia of 30%
- Ramsay is one of the largest income tax taxpayers in Australia. (46th largest taxpayer based on the ATO's '2019-20 Report of Entity Tax Information') and pays significant income taxes in the United Kingdom, France, Malaysia and Indonesia.
- Ramsay also pays other significant taxes in the form of employment taxes, stamp duties and the like across each of the abovementioned jurisdictions.

5. International related party dealings

Ramsay's core business is operating private hospitals. Revenue earned by the private hospitals operated by Ramsay is taxed in the jurisdiction in which the service is provided.

There are limited international related party dealings between Ramsay Australia and its foreign affiliates. These dealings primarily relate to the provision of management, administrative and other like services from Australia to those jurisdictions. These intercompany dealings are determined and taxed in accordance with the transfer pricing rules.

Ramsay also has a very small procurement operation and undertakes global procurement negotiation in Singapore. The procurement operation is primarily used to acquire low value medical equipment required in Ramsay's hospital operations directly from Asian suppliers.

It should be noted that these related party dealings do not have a material impact on Ramsay's Australian tax position.

6. Reconciliation of Ramsay Australian Group's accounting profit to Australian income tax expense

(Worldwide calculations shown for memorandum purposes only)

	FY 21 Ramsay Australian Tax Consolidated Group	FY 21 Ramsay Worldwide Consolidated Group (per FY21. Annual Report)
	A\$'M	A\$'M
Accounting profit before tax	572.2	741.6
Income tax expense	177.8	230.1
Net profit for the year	394.4	511.5
Tax at the Australian statutory corporate income tax rate of 30%	171.6	222.5
<i>Increase in income tax expense due to:</i>		
Expenditure not allowable for income tax purposes	19.1	26.8
Foreign tax rate adjustment	0	12.1
Other French income tax expense	0	18.1
Other	0	-10.6
<i>Decrease in income tax expense due to:</i>		
Impact of changes in foreign tax rates on deferred tax balances	0	-27.7
Non-assessable / tax exempt income	-5.2	-11.1
Income tax expense	185.5	230.1
Effective tax expense rate (Income tax expense / Accounting profit before income tax)	31.1%	31.0%
Australian corporate statutory tax rate	30%	Note
Note : Ramsay worldwide group includes businesses in Australia, UK, Europe and Asia. The statutory corporate tax rates in these countries range from 19% to 34.43%		

7. Reconciliation of Australian Tax Consolidated Group's income tax expense to income tax payable

	FY 21
	A\$'M
Income tax expense	177.8
Net temporary differences	17.0
Income tax payable, per tax return lodged with ATO	194.8
Effective tax payable rate (Income tax payable / Accounting profit before income tax)	34.0%
Australian corporate statutory tax rate	30%