



2024 Tax Transparency Report



Australia Post

Table of contents

Introduction	3
Overview	3
Approach to tax	4
Tax reconciliations	6
Australian taxes borne and collected	7



Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as a team, and recognises their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

Introduction

This Tax Transparency Report is published on a voluntary basis as part of our commitment to improved tax disclosure. The report includes information recommended to be disclosed under the Australian Voluntary Tax Transparency Code (TTC). The TTC is a set of principles and minimum standards to guide medium and large businesses on public disclosure of tax information.



Overview

We manage our taxation affairs in accordance with the Group Risk Management Framework. Forming part of the Framework, the Group Tax Governance Policy outlines the framework and methodology for applying a risk-based approach to managing our taxation affairs and our relationship with revenue authorities. We maintain a comprehensive system of corporate governance practices designed to provide appropriate levels of disclosure and accountability. We are committed to providing our stakeholders, customers and communities with transparent disclosure of our tax affairs.

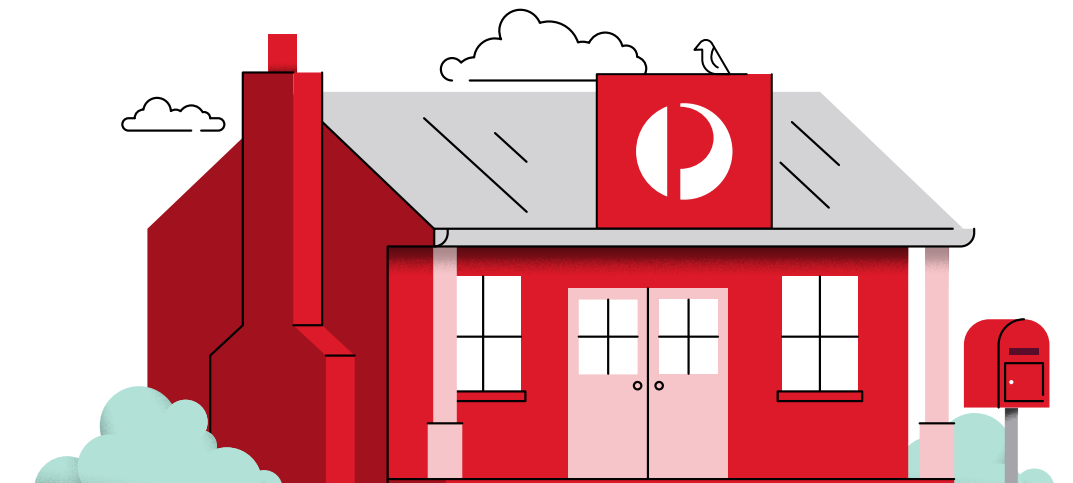
Providing greater tax transparency

This Tax Transparency Report complies with the standard of disclosure expected of 'large businesses' under the TTC. It includes information in relation to our approach to tax governance, tax risk management and international related party dealings. In addition, this report provides information on the Australia Post Group accounting effective tax rate, the relationship between accounting profit and our income tax liability, and Australian tax contributions and collections.

This report should be read in conjunction with the Annual Report for the year ended 30 June 2024 (2024 year). Consistent with the Annual Report, comparative information has been adjusted, where required, for consistency with the current year's presentation. All amounts are stated in Australian dollars.

Improving everyday

We continue to review our tax transparency reporting and implement stakeholder feedback together with industry and regulatory developments. We look to maintain and help develop best practice in tax transparency reporting to better serve the communities in which we operate.



Approach to tax

In pursuing the Australia Post corporate strategy, we abide by our Group Tax Governance Policy to ensure full and transparent compliance with all taxation obligations.

Group Tax Governance Policy

The Australia Post Group Tax Governance Policy operates as part of the wider Board-approved Group Risk Management Framework.

Policy Principles

The core policy principles outlined in our Group Tax Governance Policy are that Australia Post will ensure:

1. All statutory tax obligations are fulfilled, and the legally correct amount of tax is paid wherever the Group operates.
2. The taxation affairs of the Group are managed proactively to maximise shareholder value in implementing the overall Group strategy.
3. Policies, procedures and positions are documented in relation to the tax risk consequences of the business strategy, to protect the Group's corporate reputation as a trusted iconic brand.
4. An open and honest relationship is maintained with revenue authorities, Shareholder Ministers and the public, including appropriate consultation with revenue authorities.
5. The Board, senior management and other key stakeholders are kept informed with appropriate reporting on the level of compliance with the Group Tax Governance Policy, in respect of the Group's management of tax expense.

In accordance with the above principles, we apply a risk-based approach to key activities in the corporate tax function. We adopt a strong control framework to identify, mitigate and control tax risks and refrain from undertaking aggressive tax planning. We proactively manage our business and tax affairs in accordance with the Group Tax Governance Policy.

By applying the Tax Governance Principles, our tax risk appetite is consistent with the Group Risk Appetite Statement.

The Tax Risk Management Framework expands on the principles outlined in the Group Tax Governance Policy. It contains a framework for implementation within the Australia Post Group to ensure that the principles are translated into practice in a methodical and structured manner. The Tax Risk Management Framework has been designed to be congruent with the Group Risk Management Framework.





Justified Trust and Assurance Report

We strive to maintain collaborative and trusted relationships with the Australian Taxation Office (ATO) and other revenue authorities. We are committed to full compliance and transparent disclosure with respect to our tax affairs.

As a Top 100 public and multinational taxpayer in Australia, Australia Post participates in an annual Pre-Lodgement Compliance Review Program with the ATO and continues to adopt real-time communication with tax authorities.

Under its Top 100 Action Differentiation Framework, the ATO adopts a tailored engagement approach, and seeks to establish 'Justified Trust' on an evidence-based approach to:

- Understand a taxpayer's Tax Governance framework, significant and new transactions and why the accounting and tax results vary.
- Identify tax risks flagged to the market.

The ATO's review of the Australia Post Group under the Justified Trust approach has been completed for the 2021 and 2022 income years and is in progress for the 2023 income year.

The ATO has maintained an overall high level of assurance over Australia Post's economic and income tax affairs. The overall high assurance rating ('Justified Trust') was achieved in both the 2021 and 2022 income years. This means the ATO has obtained the highest degree of assurance that Australia Post has paid the 'right' amount of Australian income tax and maintained confidence that the right Australian income tax outcomes have been reported.

The Commissioner of Taxation advised Australia Post in December 2023,

“Based on our current understanding of Australia Post's tax affairs relative to others in the population for the 2023 income year, we will partner with you to maintain good compliance. This means that we have confidence in your tax compliance and your ongoing commitment to maintaining an open and transparent relationship with us.”

International related parties

We have continued investing in our international subsidiaries and partnerships to strengthen our warehousing and international freight-forwarding capabilities in various international markets. This is part of our strategy for future growth as an eCommerce business.

Our international related party dealings generated less than 1% of our consolidated revenue in the 2024 year. Our dealings with these international related parties are conducted in a manner consistent with the arm's length principle and reflect the commercial nature of the transactions.



Tax reconciliations

The reconciliation of accounting loss to income tax benefit and tax liability, as described in the 2024 Annual Report.

Income tax benefit reconciliation	2024 \$m	2023 \$m
Loss before income tax	(88.5)	(200.3)
At the Group's statutory income tax rate (30%)	(26.5)	(60.1)
Adjustments relating to prior years	1.6	-
Capital Gains Tax impact of property disposals, revaluations and divestments	3.7	(10.6)
Associate and overseas subsidiary tax impacts	(1.3)	2.4
Impairment of equity-accounted investees	1.9	-
Goodwill impairments	-	1.9
Sundry items	0.2	0.7
Income tax benefit on loss before tax	(20.4)	(65.7)

Effective tax rate	2024 \$m	2023 \$m
Loss from ordinary activities before income tax expense	(88.5)	(200.3)
Less: Post-tax share of results of equity accounted investments	(0.1)	(1.9)
(A) Adjusted loss before income tax	(88.6)	(202.9)
(B) Income tax benefit	(20.4)	(65.7)
Effective tax rate (B/A)	23%	32%

Reconciliation of income tax benefit to current tax liability	2024 \$m	2023 \$m
Income tax benefit in the consolidated income statement	(20.4)	(65.7)
Add / (subtract):		
Deferred tax assets and liabilities charged to income	22.9	65.8
Adjustments relating to prior years (income tax benefit impact)	(1.6)	-
Current tax charge included in income tax benefit	0.9	0.1
Add / (subtract):		
Net opening balance carried forward	1.9	(15.9)
Income tax refunds	1.7	10.4
Adjustments relating to prior years (current tax impact)	(3.3)	7.1
Other	(0.9)	0.2
Net current tax liability	0.3	1.9

Australian taxes borne and collected

Contributions and collections of Australian taxes and duties to Federal and State Governments.

Australian taxes and duties borne	2024 \$m	2023 \$m
Goods and Services Tax (GST) – net amount paid*	319.0	320.9
Payroll Tax	194.2	179.1
Land Tax	26.0	22.5
Rates and Registrations	22.7	20.5
Federal Excise Duty*	12.5	11.9
Fringe Benefits Tax	3.7	3.6
Income Tax – net amount refunded	(1.4)	(10.7)
Total	576.7	547.8

*Fuel Tax Credits (FTC) are not included as an offset in net GST paid. FTC are instead reflected in Federal Excise Duty.

Australian taxes collected on behalf of Governments	2024 \$m	2023 \$m
GST	858.0	832.6
Pay As You Go (PAYG) Withholding	732.0	708.5
Total	1,590.0	1,541.1

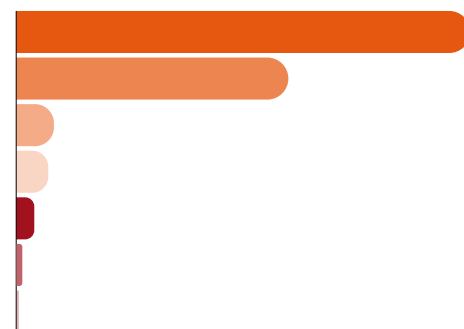
Basis of preparation

Tax payments are presented on a cash paid basis for the year ended 30 June 2024 for all Australian operations. Those tax payments made by entities accounted for as equity investments, and entities domiciled outside of Australia, are excluded.



Taxes and duties borne

GST – net amount paid	55.3%
Payroll Tax	33.7%
Land Tax	4.5%
Rates and Registrations	3.9%
Federal Excise Duty	2.2%
Fringe Benefits Tax	0.6%
Income Tax – net amount (refunded)	(0.2%)



Taxes collected

GST	54.0%
PAYG Withholding	46.0%

