



# Tax Transparency Report

**FOR THE YEAR ENDED  
30 JUNE 2024**

## Introduction

With more than 647,000 members and approximately \$139 billion in funds under management as at 30 June 2024, UniSuper (Fund) is one of Australia's largest super funds.

The Voluntary Tax Transparency Code (the Code) is a set of principles and minimum standards to guide medium and large businesses on public disclosure of tax information. The Code was developed by the Board of Taxation and endorsed by the Federal Government.

The Code was principally designed to encourage greater tax transparency by large corporate taxpayers, particularly by multinationals to enhance the community's understanding of compliance with Australia's tax laws by the corporate sector. Other large taxpayers, including superannuation funds, are also encouraged to voluntarily adopt the Code.

The UniSuper Board supports the Code and chose to become a signatory to the Code in 2017. UniSuper has paid approximately \$1.1 billion in taxes in relation to the year ended 30 June 2024, most of which relates to tax paid in Australia. The UniSuper Board is committed to maintaining an open and transparent approach with respect to tax.

This report meets the set of principles and minimum standards guide in respect to large businesses on public disclosure of tax information recommended under the Code.

## UniSuper's approach to tax strategy and governance

Part of UniSuper's tax philosophy is to meet all its obligations and pay the appropriate amount of tax applicable to each relevant revenue authority, based on a reasonable interpretation of tax laws. This includes any tax obligations which may arise on behalf of its members.

An objective of the UniSuper Board includes ensuring that UniSuper complies with its regulatory tax obligations.

UniSuper's Tax Governance Policy is approved by the UniSuper Board. The policy details UniSuper's approach with respect to its tax strategy and governance, as follows:

- The overall responsibility for tax rests with the UniSuper Board via the Finance and Risk Committee (FRC) as the delegated Committee, and UniSuper's CEO. Regular tax reporting is provided to the FRC.
- UniSuper shall act with truthfulness and the highest of integrity.
- UniSuper will only enter transactions which are based on commercial considerations. UniSuper will not participate in artificial or contrived tax avoidance schemes or transactions and the FRC is consulted where a position is taken by Management which falls outside published ATO safe harbours or arrangements subject to taxpayer alerts issued by the ATO.
- UniSuper will comply with prevailing tax laws in all relevant jurisdictions, whilst also seeking to maximise the after-tax returns on investment for UniSuper's members.
- UniSuper maintains a robust tax governance framework to effectively manage tax risk. The tax control framework is reviewed regularly to ensure the policies and controls continue to be appropriate and are operating effectively.
- UniSuper maintains an open and transparent relationship with the Australian Taxation Office and with other tax revenue authorities in all relevant jurisdictions.

## Tax reconciliations

The information below provides a reconciliation of UniSuper's accounting profit before tax to the income tax expense disclosed in UniSuper's Fund Annual Report for the financial year.

The Australian Accounting Standards for superannuation funds (AASB 1056 *Superannuation Entities*) requires investments to be recognised at fair value, and investment income to be recognised in UniSuper's Fund Annual Report separately to member related activities.

### RECONCILIATION OF ACCOUNTING INCOME TO INCOME TAX EXPENSE - 30 JUNE 2024 FINANCIAL YEAR

| 2024 RECONCILIATION OF ACCOUNTING INCOME TO INCOME TAX EXPENSE (\$M)                       | INCOME STATEMENT | STATEMENT OF CHANGES IN MEMBERS' BENEFITS | TOTAL        |
|--|------------------|---|--------------|
| Accounting income  | 10,862           | 9,399                                     | 20,261       |
| Prima facie income tax expense (taxed at the superannuation tax rate of 15%)               | 1,629            | 1,410                                     | 3,039        |
| <b>Adjusted for tax effect of the following items</b>                                      |                  |   |              |
| <i>Timing differences:</i>   |                  |   |              |
| Difference between investment income recognised for accounting and income tax <sup>1</sup> | (238)            |   | (238)        |
| <i>Permanent differences:</i>  |                  |   |              |
| Non-assessable member contributions  |                  | (254)                                     | (254)        |
| Non-assessable transfers in from other superannuation funds                                |                  | (295)                                     | (295)        |
| Exempt pension investment income <sup>2</sup>  | (194)            |   | (194)        |
| Capital gains tax concession <sup>3</sup>  | (120)            |   | (120)        |
| Franking credits <sup>4</sup>  | (449)            |   | (449)        |
| Foreign income tax offsets <sup>5</sup>  | (60)             |   | (60)         |
| Other  |                  | (2)                                       | (2)          |
| Under/(over) provision of income tax relating to prior income tax year                     | (94)             | 15  | (79)         |
| <b>Income tax expense / (benefit)</b>  | <b>474</b>       | <b>874</b>                                | <b>1,348</b> |
| <b>Effective tax rate<sup>6</sup></b>  | <b>4.4%</b>      | <b>9.3%</b>                               | <b>6.7%</b>  |

#### NOTES:

**Note 1** - Investment income is recognised for accounting purposes in the Income statement in accordance with AASB 1056. This includes any movement in the fair value of investments (realised and unrealised) to be included in the Income Statement, whereas investment income is taxed in accordance with Australian income tax legislation.

**Note 2** - An exemption is available to a complying superannuation fund in respect to its ordinary and statutory investment income which is attributed to the current pension liabilities of the superannuation fund.

**Note 3** - A one-third capital gains tax discount is available in relation to capital gains realised in respect to CGT assets held for more than 12 months. The one-third CGT discount is only available after prior year and current year capital losses have been applied.

**Note 4** – Franking credits arise for shareholders when certain Australian-resident companies pay income tax on their taxable income and distribute their after-tax profits by way of franked dividends. These franked dividends have franking credits attached. UniSuper is taxed on the franked dividend income at the 15% tax rate which applies to complying superannuation funds and receives a credit for the franking credits attached.

**Note 5** – Foreign income tax offsets relate to the tax withheld from foreign sourced investment income received by UniSuper. UniSuper is taxed in Australia

on the foreign sourced investment income at the 15% tax rate which applies to a complying superannuation fund and claims a credit for the foreign income tax offset subject to certain limitations.

**Note 6** – UniSuper’s effective tax rate (ETR) on the Statement of changes in members’ benefits is calculated as the tax on contributions divided by the contribution and net rollover income. The ETR is impacted by the non-taxable contributions and non-taxable rollover amounts received from other superannuation funds.

#### **RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX PAID**

The information below details a reconciliation of UniSuper’s income tax expense to income tax paid.

| <b>2024 RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX PAID (\$M)</b>            | <b>INCOME STATEMENT</b> | <b>STATEMENT OF CHANGES IN MEMBERS’ BENEFITS</b> | <b>TOTAL</b> |
|--|-------------------------|--|--------------|
| <b>Income tax expense / (benefit)</b>  | <b>474</b>              | <b>874</b>                                       | <b>1,348</b> |
| Unrealised gains on investment income <sup>7</sup>                                   | (401)                   |  | (401)        |
| Tax deductible insurance premiums  |                         | (20)   | (20)         |
| Under/(over) provision of income tax relating to the current income tax year         | (71)                    | 15   | (56)         |
| Impact of Under/(over) provision of income tax relating to the prior income tax year | 94                      | (15)   | 79           |
| <b>Income tax paid</b>   | <b>96</b>               | <b>854</b>                                       | <b>950</b>   |

#### **NOTES:**

**Note 7** – This amount represents the increase/decrease in the unrealised investment income which is recognised in the Income Statement under AASB 1056, but which is not yet recognised for income tax purposes in accordance with Australian tax legislation.

## Summary of taxes paid

UniSuper pays a range of different taxes to the Australian federal, state and territory governments each year as well as foreign taxes. The information below details the taxes paid by the UniSuper Fund and controlled corporate entities for the year ended 30 June 2024.

### RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX PAID

| TAX TYPE                            | AMOUNT PAID FY2024 (\$M) | AMOUNT PAID FY2023 (\$M) | DRIVEN BY   |
|-------------------------------------|--------------------------|--------------------------|---|
| Income tax: Fund                    | 950                      | 483                      | Income tax paid by the Fund on assessable member contributions and investment returns   |
| Income tax: corporate               | 12                       | 36                       | Income tax paid by or withheld from controlled corporate entities of the Fund   |
| Direct foreign taxes <sup>8</sup>   | 82                       | 72                       | Foreign investment returns  |
| Net Goods and Services Tax (GST)    | 5                        | <1                       | Acquisition and supply of goods and services. The difference in net GST between FY2023 and FY2024 is due to a decrease in taxable supplies in FY2023. |
| Withholding tax - benefit payments  | 28                       | 24                       | Benefit payments to members (tax liability borne by members)  |
| Withholding tax - salaries          | 52                       | 45                       | Employee salaries (tax liability borne by employees)  |
| Payroll tax and fringe benefits tax | 12                       | 10                       | Employee salaries and benefits  |
| <b>Total</b>                        | <b>1,141</b>             | <b>671</b>               |   |

#### NOTES:

**Note 8** - UniSuper is a global investor and pays tax in foreign jurisdictions. Foreign tax is disclosed as a separate line item to the income tax paid in Australia by the Fund.

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**IMPORTANT INFORMATION**

The information in this report is current as at date of publication and is based on our understanding of the laws at that date. Information is subject to change.

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