



Great  
Southern  
Bank

# Tax Transparency Report

Year ended 30 June 2023



# Chief Financial Officer's Introduction

**Credit Union Australia Ltd (trading as Great Southern Bank) is committed to being a responsible bank and disclosing the way we conduct our business.**

Credit Union Australia Ltd, operating as Great Southern Bank, is dedicated to transparency in our business operations as a responsible corporate citizen, banking institution, and taxpayer.

This Tax Transparency Report underscores our commitment by voluntarily disclosing our tax governance approach, compliance measures, and our contribution to corporate taxes. It reflects our belief in maintaining robust governance standards and being accountable to all stakeholders, including customers, regulators, team members, and the community. Furthermore, it highlights our dedication to managing Environmental, Social, and Governance (ESG) risks and opportunities.

In the past financial year, we contributed over \$68.4 million in taxes to State and Federal Governments, encompassing both direct and indirect taxes stemming from our activities. We view this contribution as part of our broader support for Australia and its communities, alongside initiatives such as Government-backed home lending schemes and partnerships with key non-profit organisations and social housing bodies. Notably, we operate solely within Australia and therefore do not pay taxes in any other jurisdictions.

This Report adheres to the principles outlined in the Board of Taxation's Tax Transparency Code, providing deeper insights into the technical aspects of our operations. It complements Great Southern Bank's 2023 Annual Report by offering additional income tax disclosures. The latter report, compliant with Australian Accounting Standards and International Financial Reporting Standards, is available on our website.

We take pride in presenting this Report for Great Southern Bank and its subsidiaries for the year ended 30 June 2023.



**Alan Lee**

Chief Financial Officer



# Introduction

## The Tax Transparency Code

The Tax Transparency Code (TTC) developed by the Board of Taxation is a set of principles and minimum standards that guide medium and large businesses on public disclosure of tax information. Adoption of the TTC is voluntary and is intended to complement Australia's existing tax transparency measures.

We recognise the importance of greater tax transparency and also the need to improve our understanding of how large taxpayers comply with Australian tax laws. This Report reflects our commitment to transparency by providing an overview of our compliance with tax obligations, our tax strategy, our governance and our tax contributions.

Our principal activities during the year ended 30 June 2023 comprised of raising funds by attracting deposits and the provision of loans and associated services to customers. Through our controlled entities, our business operations also involved general insurance and securitisation activities. During the year ended 30 June 2023 there were no significant changes to our business operations.

For Australian income tax purposes, Credit Union Australia Ltd (trading as Great Southern Bank), has elected to form an income tax consolidated group with its eligible wholly owned Australian subsidiaries as at 1 July 2022. The members of this group are treated as if they were a 'single taxpayer' for income tax purposes.

## About Great Southern Bank

For over 75 years, we've been putting our customers first, and today we support more than 400,000 Australians with their banking. We are available to support our customers via digital channels, our Australian based call centre, branch network and through our mortgage broker channel.

Our purpose is to help all Australians own their own home. As a customer-owned bank, our purpose is reflected in everything we do including the way we support our customers, how we help the communities we live and work in, and guides the investments we make in our people, products, and services. We are a sustainable bank, and this is backed by our commitment to doing business responsibly and in ways that benefits our customers, communities and environment, today and in the future.

# Tax strategy and governance

## Our approach

Our approach to tax strategy and governance is outlined in our Tax Risk Management Policy (the Tax Policy), which is reviewed and approved by our Board Risk Committee on a biennial basis. Our approach to how we operationalise our Tax Policy is outlined in our Tax Risk Management Standard (the Tax Standard). The Tax Policy, together with the Tax Standard, provides a systematic approach for how we manage our tax obligations, identify tax risks and mitigate and monitor these identified risks.

As a responsible bank, we seek to comply with all relevant laws and regulations imposed on participants in the Australian banking and financial services industry, including those relating to taxation. Our commitment to being a responsible bank means maintaining and demonstrating tax governance, accountability, and transparency with all our stakeholders (including customers, regulators, team members, and the community) and in our approach to tax compliance, our tax obligations and contribution to society. To this effect, Great Southern Bank is committed to:

- Complying with statutory obligations and making tax payments and tax filings in accordance with relevant tax rules and legislation;
- Being a responsible taxpayer and good corporate citizen; and
- Maintaining transparency with our stakeholders on our approach to tax governance, compliance and contributions to build and maintain trust with our stakeholders.

## Relationship with revenue authorities

Great Southern Bank is committed to maintaining an open, transparent, honest, and cooperative approach with revenue authorities. We take a proactive approach to working with revenue authorities in an open and constructive manner by:

- Providing revenue authorities with required information on a timely basis;
- Managing tax uncertainties, by engaging in discussions with revenue authorities, and seeking rulings/clearances from revenue authorities where appropriate; and
- Engaging in consultation with the revenue authorities, either directly or together with other industry banking institutions or representative bodies, on matters relevant to improving processes or on any proposed changes to the law that are open for consultation.

## International related party dealings

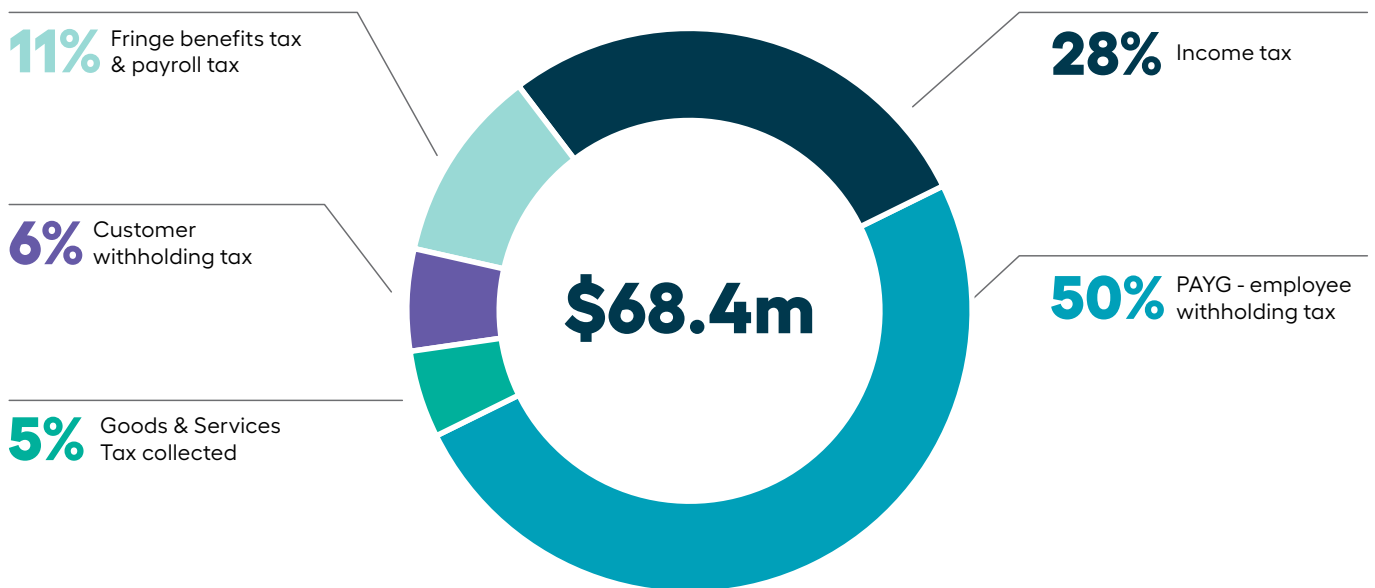
Great Southern Bank does not have any international related party dealings.



# Tax contribution summary

The table below provides an overview of the Australian Federal and State taxes paid and collected by Great Southern Bank and its controlled Australian entities in the 2023 income year (with comparatives to 2022).

Tax contribution summary	2023 (\$m)	2022(\$m)
Income tax	19.2	55.9
Payroll tax	6.8	6.1
Fringe benefits tax	0.5	0.3
<b>Total Australian taxes paid</b>	<b>26.5</b>	<b>62.3</b>
PAYG - employee withholding tax	34.4	31.3
Customer withholding tax	3.8	0.6
Goods & Services Tax collected	3.7	3.9
<b>Total Australian taxes collected on behalf of others</b>	<b>41.9</b>	<b>35.8</b>
<b>Total taxes paid and collected</b>	<b>68.4</b>	<b>98.1</b>



# Income taxes disclosed in Annual Report

## Reconciliation of accounting profit to income tax expense

Australian Accounting Standards require entities to calculate and disclose various tax balances in their financial statements including income tax expense (ITE) for the relevant period. We outline below a summary reconciliation of accounting profit to the income tax expense disclosed in our Annual Report for the year ended 30 June 2023.

The figures included in the below table are the Group figures as per the Annual Report (which also include Great Southern Bank's wholly owned subsidiaries continuing operations and discontinued operations).

<b>Reconciliation of accounting profit to ITE</b>			
<i>(Note 2.3(b) and Note 4.13 of our 2022 and 2023 Annual Report)</i>	<b>Note</b>	<b>2023 (\$m)</b>	<b>2022 (\$m)</b>
<b>Accounting profit before tax from continuing operations and discontinued operations</b>	1	<b>63.1</b>	<b>125.2</b>
Income tax on accounting profit at 30%		18.9	37.6
Increase/(decrease) in income tax expense due to:			
Franking credits offset	2	(0.5)	(1.5)
Non-deductible expenses		(0.1)	18.2
Research & Development incentive		-	1.0
Other tax adjustments		0.3	(0.5)
<b>Income tax expense reported in the Annual Report</b>		<b>18.6</b>	<b>54.7</b>
Adjustments relating to prior years		0.4	(0.5)
<b>Income tax expense for the current year</b>		<b>19.0</b>	<b>54.2</b>
<b>Effective tax rate</b>	3	<b>29.5%</b>	<b>43.7%</b>

**Note 1:** The ITE disclosed in our 2023 Annual Report is calculated in accordance with the Australian Accounting Standards and the International Financial Reporting Standards.

**Note 2:** Franking credits arise from franked dividends received by Great Southern Bank from companies in which it has an interest (directly, or through interposed entities) and that have paid Australian income tax on their taxable income. This ensures that we are only exposed to tax on the taxable income of those companies at the rate we would be exposed if it carried on those businesses directly.

**Note 3:** The non-deductible expenses in 2022 relate to the differences between the accounting and tax gain on the sale of CUA Health which increased the effective tax rate of the Group in 2022.

## Reconciliation of income tax expense to income tax payable

We outline below a summary reconciliation of income tax expense disclosed in our Annual Report for the year ended 30 June 2023 and actual income tax payable in the 2023 financial year.

<b>Reconciliation of ITE to income tax payable</b>			
<i>(Note 2.3(a) and Note 4.13 of our 2022 and 2023 Annual Report)</i>	<b>Note</b>	<b>2023 (\$m)</b>	<b>2022 (\$m)</b>
<b>Income tax expense for the current year from continuing operations and discontinued operations</b>		<b>19.0</b>	<b>54.2</b>
Temporary differences between accounting and tax			
Depreciation of plant, equipment, and intangible assets	4	(2.0)	2.4
Derivative financial instruments and financial assets	5	(0.2)	1.3
Movement in provisions and other accruals		2.5	2.1
Movement in provision for employee benefits		1.6	0.7
Lease assets and liabilities		(0.2)	0.6
Other adjustments		0.7	(2.2)
<b>Income tax payable for the current year from continuing operations and discontinued operations</b>		<b>21.4</b>	<b>59.1</b>

**Note 4:** Plant and equipment and other intangible assets are generally depreciated at a different rate under the Australian Accounting Standards compared to the income tax rules, resulting in tax adjustments each year in respect of depreciation.

**Note 5:** Unrealised gains and losses on fair value movements of our financial instruments. These items are subject to tax when they are realised.

## Reconciliation of income tax payable to tax paid

We outline below a summary reconciliation of income tax payable disclosed in our Annual Report for the year ended 30 June 2023 and income tax paid in the 2023 financial year.

<b>Reconciliation of income tax payable to tax paid</b>			
<i>(Note 4.5 of our 2023 Annual Report)</i>	<b>Note</b>	<b>2023 (\$m)</b>	<b>2022 (\$m)</b>
<b>Income tax payable for the current year from continuing operations and discontinued operations</b>		<b>21.4</b>	<b>59.1</b>
Less: income tax paid for current year		14.3	16.5
<b>Balance of income tax payable / (refundable)</b>		<b>7.1</b>	<b>42.6</b>
Income tax paid / (refund) for prior years in current year		39.3	3.0
<b>Income taxes paid in the Cash Flow Statement</b>		<b>53.6</b>	<b>19.5</b>

# ATO public tax transparency disclosures

Australia's public tax transparency laws require the ATO to publish the specific tax return information of public companies and foreign-owned companies with a total income of \$100 million or more, and Australian-owned private companies with total income of \$200 million or more.

We anticipate that the data for the 2023 income year will be released by the ATO shortly. This should include the following information in relation to Great Southern Bank (as a tax consolidated group) based on its lodged 2023 income tax return:

Total Income (\$)	Taxable Income (\$)	Tax Payable (\$)
653,154,784	69,302,900	19,232,074





Great  
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[greatsouthernbank.com.au](https://greatsouthernbank.com.au)

Great Southern Bank, a business name of Credit Union Australia Ltd ABN 44 087 650 959 AFSL and Australian Credit Licence 238317. RC1858512\_240513