

# TAX TRANSPARENCY REPORT

For the year ended 30 June 2025

# Overview

## About Airservices Australia

Airservices Australia (Airservices) is established under the *Air Services Act 1995 (Cth)* and is an Australian Government-owned organisation. We are designated as a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013 (Cth)*.

Our legislated functions under the *Air Services Act 1995 (Cth)* include:

- Providing facilities for the safe navigation of aircraft within Australian-administered airspace;
- Promoting and fostering civil aviation in Australia and overseas; and
- Providing air traffic services, aviation rescue and firefighting services, aeronautical information, radio navigation, and telecommunication services.

Under our establishing legislation, we are subject to all Commonwealth taxes but are exempt from State and Territory taxes, except for payroll tax. We also must comply with withholding tax obligations and any applicable taxes in foreign jurisdictions.

We did not have any subsidiaries during the income year ended 30 June 2025. We employed 3,546 staff as at 30 June 2025.

Further information about our organisation and our plans for Australia's aviation future is available in the *Airservices 2025–26 Corporate Plan* and the *Airservices 2024-25 Annual Report*.

## About this Report

This Tax Transparency Report has undergone internal review by the Chief Financial Officer prior to tabling with the Board Audit and Risk Committee and the Board. The Report has been prepared in accordance with the recommendations of the Australian Board of Taxation's Voluntary Tax Transparency Code for non-public Country-by-Country reporters. All amounts are presented in Australian dollars (AUD) unless otherwise stated.

# Tax Data

## Tax Contribution

**Table 1: Taxes paid to the ATO and State and Territory Revenue Authorities on our own behalf**

Tax Obligation	2025 (\$'000)	2024 (\$'000)
Corporate Income Tax	-	-
Fringe Benefits Tax <sup>1</sup>	\$4,486	\$3,561
Payroll Tax	\$46,511	\$40,060
Total Taxes Borne by Airservices	<b>\$50,997</b>	<b>\$43,621</b>

**Table 2: Taxes collected and paid to the ATO on behalf of employees and other entities**

Tax Obligation	2025 (\$'000)	2024 (\$'000)
GST	\$35,064	\$32,352
Fuel tax credits	(\$105)	(\$512)
PAYG Withholding	\$213,139	\$189,599
Total Other Taxes Remitted / Credited	<b>\$248,016</b>	<b>\$221,439</b>

## International Tax Position

We do not have a taxable presence in any jurisdiction outside Australia. In July 2024, we registered for New Zealand Goods and Services Tax (GST) as a non-resident business claimant. For the income year ended 30 June 2025, we claimed NZD \$25,511.72 in GST refunds under this arrangement.

## Tax Losses

We have \$1,148M (2024: \$824M) of carry forward tax losses, \$3.37M (2024: \$3.37M) of non-refundable carry forward tax offsets and \$4.8M (2024: \$4.8M) of capital losses.

## Effective tax rate

Our effective tax rate for the income year ended 30 June 2025 was 30.05% (2024: 30.20%).<sup>2</sup>

<sup>1</sup> For the Fringe Benefits Tax (FBT) year ended 31 March 2025 and 31 March 2024.

<sup>2</sup> This is calculated using the Profit/(loss) before income tax (benefit) / expense divided by the Income tax (benefit) / expense (current and deferred income tax).

## A reconciliation to ATO Corporate Tax Transparency Disclosures

The Australian Taxation Office (ATO) publishes the *Report of Entity Tax Information* annually, which discloses total income, taxable income, and tax payable for certain taxpayers. For the income year ended 30 June 2025, we reported a tax loss position. As a result, both taxable income and tax payable were nil.

**Table 3: ATO Public Data Disclosure<sup>3</sup>**

Disclosure	2025 (\$'000)	ATO disclosure (\$'000)	2024 (\$'000)	ATO disclosure (\$'000)
<b>Total income<sup>4</sup></b>	<b>\$1,099,712</b>	<b>\$1,099,712</b>	<b>\$1,061,017</b>	<b>\$1,061,017</b>
Total expenses	(\$1,438,676)	n/a	(\$1,293,176)	n/a
Profit/(loss) before income tax <sup>5</sup>	(\$338,964)	n/a	(\$232,159)	n/a
<b>Taxable income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tax Payable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## A reconciliation of accounting profit to income tax expense and income tax paid or payable

**Table 4: Reconciliation of accounting profit/(loss) to income tax (benefit) / expense and income tax payable**

	2025 (\$'000)	2024 (\$'000)
<b>Total Australian income and accounting profit / (loss)</b>		
<b>Profit/(loss) before income tax benefit / (expense)</b>	<b>(\$338,937)</b>	<b>(\$232,154)</b>
<b>Prima facie income tax benefit / (expense) at 30%</b>	<b>\$101,681</b>	<b>\$69,646</b>
Amounts which are not deductible/assessable in calculating taxable income		
Non-deductible legal costs	(\$8)	(\$6)
Prior year under / over provision of tax	(\$25)	\$489
Other non-deductible / (assessable) expenditure	\$197	(\$14)
<b>Income tax benefit / (expense)</b>	<b>\$101,845</b>	<b>\$70,115</b>
<b>Accounting effective tax rate</b>	<b>30.05%</b>	<b>30.20%</b>
<b>Book to tax adjustments: Temporary Differences<sup>6</sup></b>		
Depreciation	(\$10,942)	\$13,926
Lease liabilities	(\$74)	-
Provision for doubtful debts	(\$1,030)	(\$425)
Employee benefits	\$1,706	(\$9,617)
Other provisions	(\$4,939)	\$8,314
Tax losses	(\$82,842)	(\$78,880)
Right of use assets	(\$172)	-
Accruals	\$5,070	(\$3,433)
Defined benefit (asset)/liability	\$8,622	-
<b>Total income tax expense on current year profit / (loss)</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of income tax benefit / (expense) to cash tax paid</b>		
<b>Income tax benefit / (expense) paid</b>	<b>-</b>	<b>-</b>

<sup>3</sup> At the time of publishing the Report, the ATO had not yet released the 2024-25 Report of Entity Tax Information. The table has been prepared on what we anticipate the ATO should disclose in its 2024-25 Report of Entity Tax Information.

<sup>4</sup> The total income figure in our income tax return is prepared in accordance with the ATO's instructions and may differ from the total income figure disclosed in our financial statements for the same financial period.

<sup>5</sup> The profit/(loss) before income tax disclosed in Table 3 is sourced from the income tax return and may differ from the corresponding amount disclosed in the financial statements due to differences in source data, presentation and rounding.

<sup>6</sup> In the 30 June 2025 financial statements, "Lease liabilities" and "Right of use assets" were disclosed separately. In the 30 June 2024 financial statements these were disclosed as part of "Depreciation for accounting purposes."

# Overall approach to tax

## Approach to tax

In line with the *Commonwealth Government Business Enterprises – Governance and Oversight* guidelines issued by the Department of Finance, we undertake tax planning activities that are consistent with the intent and spirit of the law. We do not engage in aggressive tax planning strategies and proactively manage our tax obligations to ensure the correct amount of tax is paid.

Our tax strategy and approach to managing tax risks are governed by our Tax Governance Procedure, which is reviewed and endorsed by our Board triennially or when substantial changes occur. This process ensures the Tax Governance Procedure remains aligned with the expectations of the Australian Taxation Office (ATO) and the broader community.

The Tax and Superannuation team plays a central role in connecting key functions across the organisation to deliver best-practice tax management. This supports our capacity to make informed financial and commercial decisions and drives continuous improvement in processes and controls to ensure compliance with policy and internal governance requirements.

Our approach to tax is underpinned by our Tax Governance Principles:

### Responsible and accountable managerial oversight

The responsibilities and accountabilities for tax administration and decision-making are in place and are clearly defined and understood.

### Tax compliance

We are fully compliant with all statutory tax obligations including paying the correct amount of tax and meeting our reporting and payment obligations.

### Risk management and decision making

Strong controls and clearly articulated processes are in place to support tax compliance and to identify, assess and mitigate tax risk. The Board, Chief Executive Officer, Chief Financial Officer and other key internal and external stakeholders have assurance that our tax is being managed in accordance with our tax policies.

### Integrity in systems and reporting

The financial records, including tax reporting, reflect a true and fair view of our business.

### Professional and collaborative relationships

A professional and collaborative relationship is maintained with the ATO, State and Territory Revenue Authorities and other stakeholders to enable an efficient and collaborative hearing of tax issues as well as maintaining transparency through open and honest dialogue.

### Ethical behaviour

All decision-making as it relates to tax is done in an ethical and responsible manner and in line with the organisation's wider corporate values and frameworks.

## Tax governance, control and risk management

Our Board is accountable for overall tax compliance and for ensuring that appropriate processes are in place to manage tax risks effectively. Responsibilities and accountabilities for staff are clearly defined within our Tax Governance Procedure and Tax Operations Guide, both of which are accessible via our internal intranet.

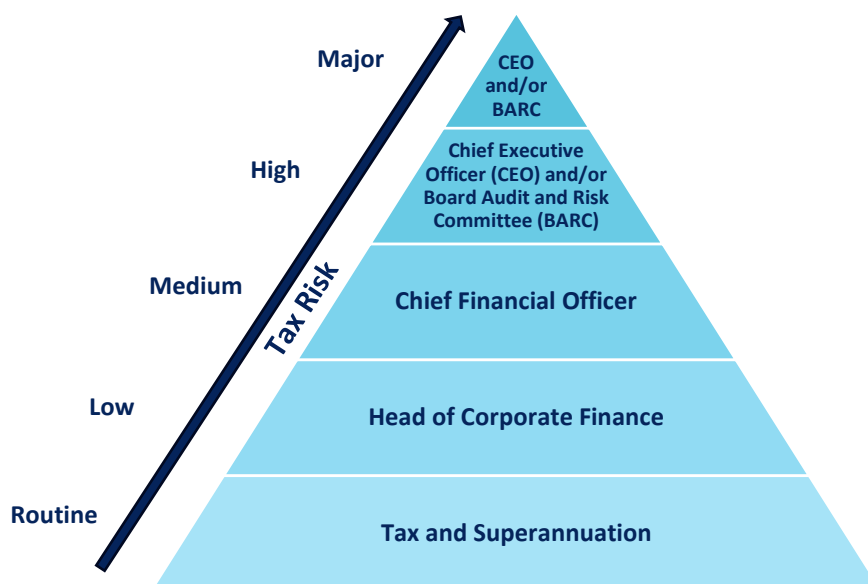
Day-to-day management of tax obligations are undertaken by the Tax and Superannuation team, which operate within the Chief Financial Officer (CFO) function. This structure ensures strong governance, oversight, and alignment with organisational financial controls.

Tax risks are identified, assessed, and managed as part of our broader **Risk Management Standard**, ensuring alignment with our enterprise-wide risk framework. Our finance risks are the responsibility of the CFO. The CFO leads the Quarterly Assurance Reviews, which provides information about ongoing assurance and exception monitoring within the Financial Management Framework, highlighting issues, trends, and improvement opportunities. Additional processes supporting the management of tax risks include our annual Self-Assessment of Compliance with Controls (SACC) survey, which provides assurance over the effectiveness of key financial and tax-related controls. Ongoing compliance checks are also performed by the Financial Data and Governance team on a monthly basis, complemented by reviews undertaken by the Tax and Superannuation team. These activities strengthen our control environment and provide further confidence in the integrity of our tax governance framework. Tax risks are evaluated periodically through structured risk assessments and control reviews conducted by the Tax and Superannuation team in collaboration with key business areas such as the Financial Data and Governance and Shared Services teams. These assessments consider both qualitative and quantitative factors and are reviewed by management. Where appropriate these are escalated to the Board Audit and Risk Committee.

To support ongoing monitoring, we utilise our Taxation Process Assurance Map as a governance tool that provides organisation wide visibility of key controls, assurance activities, and accountabilities across the three

lines of defence, Line Management, Framework, system risk and compliance functions and internal audit and commissioned assurance activities. The map is published on our Financial Management Framework's intranet to ensure transparency and enable business areas to understand their role in managing tax obligations. This supports the framework to ensure that tax risks are proactively managed, with regular reporting to the Board to maintain transparency and confidence in our governance processes.

We maintain a documented escalation process within our Tax Governance Procedure that outlines the level of management approval required for adopting a tax position. The escalation framework is based on the qualitative and quantitative characteristics of each transaction, ensuring that higher-risk or higher-value matters receive appropriate oversight and approval.



We maintain robust internal controls to ensure accurate compliance with all tax obligations. We conduct periodic testing of tax controls to assess and ensure both design and operational effectiveness. The results of these control tests are reported to the Board, enabling them to attest to the effectiveness of the policies and processes in place for managing tax risk. This approach reinforces accountability and supports continuous improvement in our tax governance framework.

## Stakeholder engagement and management of concerns related to tax

The Tax and Superannuation team is responsible for managing relationships with both Federal and State revenue authorities. Our objective in maintaining these relationships is to enable efficient and collaborative resolution of tax matters. We are committed to open and transparent dialogue with revenue authorities and, where appropriate, seek certainty on tax positions through private binding rulings or class rulings. Outcomes of rulings are communicated to relevant stakeholders and applied in the preparation of compliance obligations.

Our most recent **Combined Assurance Review** was conducted in 2021 under the ATO's *Top 1000 Combined Assurance Program*. This review covered income tax for the financial years ended 2017, 2018, 2019, and 2020, as well as a GST risk review for the year ended 30 June 2020. The ATO provided a high level of assurance for income tax, and no further GST assurance review was required.

In addition, we underwent a **New South Wales Payroll Tax Audit** during the 2024 income year, covering the 2020–2023 financial years. This audit was finalised in September 2024 and resulted in a small net refund.

Where tax issues are identified that impact prior-year lodged returns, we voluntarily prepare amendment requests. Timely identification and correction of discrepancies form part of our commitment to transparency, accountability, and continuous improvement in tax compliance.

Our most recent amendment request related to income tax returns for the years ended 30 June 2020, 2021, 2022, and 2023. This was lodged with the ATO in late 2024 and processed in early 2025, resulting in a tax payable amount of less than \$0.79M and a net reduction in tax losses of less than \$5 million.

## International related party dealings summary

We had no international related party dealings during the income years ended 30 June 2025 or 30 June 2024.