



VOLUNTARY TAX TRANSPARENCY REPORT 2022

Overview

The Qantas Group is committed to transparent corporate reporting and is pleased to publish a summary of its tax affairs for 2021/22 (FY22).

The Qantas Group posted a \$1.2 billion statutory loss for the financial year, following a \$2.3 billion statutory loss the previous year. This result took statutory losses from the COVID pandemic to nearly \$7 billion and total revenue losses to \$25 billion.

The ongoing impact of COVID-19 on the financial performance of the Group meant that no company tax was payable for FY22.

The Qantas Group still paid and collected a combined total of \$1.9 billion in taxes and fees in FY22. This amount comprises the tax component of millions of transactions that the Qantas Group undertakes — from GST, FBT, pay-roll tax through to aviation-specific taxes like the passenger movement charge and other ticket fees and charges levied by Australian governments and airports.

These figures are broken out in detail in the following pages.

Qantas will return to paying company tax among the other taxes it pays and collects, once carry forward tax losses are exhausted.

Qantas continues to be a major part of the Australian economy, with domestic and international tourism playing a vital role as the nation continues to recover from the impact of the global pandemic.

This document forms part of Qantas' broader corporate reporting suite¹, and should be read in conjunction with our [2022 Annual Report](#) and the Qantas Group's corporate website ([here](#)) for a full picture of our activities.

1 This document is also published in compliance with UK tax legislation found at paragraph 19 of Schedule 19 to the Finance Act 2016.

Part A

RECONCILIATION OF STATUTORY PROFIT TO INCOME TAX EXPENSE AND INCOME TAX PAYABLE

	Qantas Group	
	2021 \$M (restated)	2022 \$M
RECONCILIATION BETWEEN STATUTORY PROFIT/(LOSS) BEFORE INCOME TAX AND INCOME TAX EXPENSE/(BENEFIT)		
Statutory profit/(loss) before income tax expense/(benefit)	(2,299)	(1,191)
Income tax (expense)/benefit using the domestic corporate tax rate of 30 per cent	690	357
Adjusted for non-temporary differences:		
Differences in (loss)/income from investments accounted for under the equity method	(38)	(37)
Non-deductible losses for foreign branches	(9)	(16)
Non-deductible losses for controlled entities	(38)	(13)
Non-assessable gain on property, plant and equipment	1	43
Other net non-assessable items	(1)	(5)
Under provision from prior periods	2	2
Income tax (expense)/benefit	607	331
Accounting effective company tax rate	26.40%	27.79%
Adjusted for temporary differences:		
Receivables	69	(13)
Inventories	(1)	1
Investments accounted for under the equity method	(1)	(1)
Property, plant and equipment and intangible assets	87	(35)
Right of use assets	(66)	(51)
Payables	11	12
Revenue received in advance	(78)	(28)
Interest-bearing liabilities	4	(12)
Lease liabilities	123	38
Other financial assets/liabilities	(16)	18
Provisions	78	(12)
Other items	(145)	(28)
Temporary differences	65	(111)
Prior period differences	(2)	2
Tax on taxable income	670	222
Tax losses recognised (Australian)	(671)	(222)
Tax instalments paid	–	–
Income tax receivable/(payable)	(1)	–

Part B

The Qantas Group is committed to embedding risk management practices to support the achievement of compliance objectives and fulfil corporate governance obligations. Tax risk management is governed by both the Qantas Group Risk Management Policy and the Qantas Group Tax Risk Management Policy, ensuring corporate governance obligations with respect to tax risks are met.

The Qantas Group has paid all taxes that it owes and all tax compliance obligations are up to date. The Australian Taxation Office (ATO) has advised that it has a provisional high level of assurance, that the Qantas Group has paid the right amount of tax, under the ATO Justified Trust Program. The ATO also acknowledged Qantas' continued commitment to engage cooperatively and transparently to mitigate tax risks, including obtaining tax certainty on key transactions through the use of binding Private Rulings and entering into a multi-tax Annual Compliance Arrangement (ACA).

Tax treaties

Due to the operation of income tax treaties and specific rules dealing with airlines, the Qantas Group appropriately reports the majority of its income in Australia, with only a small component being reported in foreign jurisdictions (for the purpose of determining liability to company tax).

Corporate Tax

Due to the ongoing impact of the COVID-19 pandemic on the operations of the Qantas Group, no corporate income tax was payable in FY22. In addition, the Qantas Group generated an income tax loss of \$740 million which will provide a total of cumulative carried forward corporate income tax losses of \$3.3 billion available for future years.

Contribution to Australia

The Qantas Group continues to be a significant contributor to the Australian economy.

Pre-COVID, the Group contributed \$12.8 billion and over 55,000 direct and indirect jobs to the national economy, representing approximately 0.7 per cent of Australia's GDP. Further, the Qantas Group's activities facilitated an additional \$13.1 billion through tourism across Australia.

As the impact of the coronavirus passes, and demand for travel returns to pre-COVID levels, the Group expects to again be making similar contributions to Australia's GDP.

Taxes Paid/Collected — Tax Contribution Summary

The table below highlights the significant taxes paid/collected in both Australia and overseas:

	2021 \$M	2022 \$M
AUSTRALIAN TAXES		
Paid/Payable		
Corporate Tax — Australia	0	0
Payroll Tax	97	136
Fringe Benefits Tax	14	10
Other	23	46
Collected		
GST (collected and remitted)	686	741
GST (paid but reclaimed)	(420)	(550)
Personal Income Tax — Employees	532	588
Withholding taxes	1	0
Ticket Taxes, Fees and Charges ¹	384	708
Sub-total	1,317	1,679
FOREIGN TAXES		
Paid		
Corporate Tax — Foreign	1	0
Fringe Benefits Tax	2	1
Other	0	0
Collected		
VAT/GST (collected and remitted) ²	19	12
VAT/GST (paid but reclaimed) ²	(15)	(19)
Personal Income Tax — Employees	12	13
Ticket Taxes, Fees and Charges ¹	(3)	212
Sub-total	16	219
TOTAL	1,333	1,898

¹ Passenger ticket taxes/fees/charges levied by domestic and international Government authorities and Airports

² Overseas VAT/GST including New Zealand, United Kingdom, Singapore and Japan