



VOLUNTARY TAX TRANSPARENCY REPORT 2023



Overview

The Qantas Group is committed to transparent corporate reporting and is pleased to publish a summary of its tax affairs for 2022/23 (FY23).

After three years and \$7 billion in statutory losses during COVID-19, the Qantas Group posted a \$2.5 billion statutory profit for FY23.

The Qantas Group paid and collected a combined total of \$3.3 billion in taxes and fees in FY23, 75 per cent more than 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.

As a result of the carry forward tax losses that built up through the pandemic, the Group did not pay corporate tax in FY23. The Group expects to recommence paying corporate tax instalments in the second half of FY24.

In FY23, the Group carried almost 46 million passengers, employed more than 27,000 people, and purchased more than \$8 billion from Australian-based suppliers, making it a major part of the economy. In total the Group contributed \$14.1 billion to the national economy, representing approximately 0.6 per cent of Australia's GDP¹.

This document forms part of Qantas' broader corporate reporting suite², and should be read in conjunction with our [2023 Annual Report](#) and the Qantas Group's corporate website ([here](#)) for a full picture of our activities.

1 2023 Deloitte Access Economics Report

2 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	
	2022 \$M	2023 \$M
RECONCILIATION BETWEEN STATUTORY PROFIT/(LOSS) BEFORE INCOME TAX AND INCOME TAX (EXPENSE)/BENEFIT		
Statutory profit/(loss) before income tax (expense)/benefit	(1,191)	2,472
Income tax (expense)/benefit using the domestic corporate tax rate of 30 per cent	357	(742)
Adjusted for non-temporary differences:		
Differences in loss from investments accounted for under the equity method	(37)	(16)
Utilisation of previously unrecognised tax losses/(losses not recognised) for foreign branches	(16)	4
Utilisation of previously unrecognised tax losses/(losses not recognised) for controlled entities	(13)	7
Non-assessable gain on property, plant and equipment	43	-
Other net non-deductible items	(5)	(4)
Recognition of previously unrecognised losses for branches and controlled entities	-	22
Over provision from prior periods	2	1
Income tax (expense)/benefit	331	(728)
Accounting effective company tax rate	27.79%	29.45%
Adjusted for temporary differences:		
Receivables	(13)	(88)
Inventories	1	2
Investments accounted for under the equity method	(1)	(1)
Property, plant and equipment and intangible assets	(35)	75
Right of use assets	(51)	105
Payables	12	(2)
Revenue received in advance	(28)	(2)
Interest-bearing liabilities	(12)	64
Lease liabilities	38	(86)
Other financial assets/(liabilities)	18	(1)
Provisions	(12)	1
Other items	(28)	54
Temporary differences	(111)	121
Adjustments for the prior year	2	5
(Tax on taxable income)/Value of recognised tax losses	222	(602)
Tax losses utilised/(recognised)	(222)	485
Prepaid tax instalments utilised	-	117
Income tax payable	-	-

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) 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 impact of the COVID-19 pandemic on the operations of the Qantas Group, the Qantas Group had generated cumulative carried forward corporate tax losses of \$3.3 billion during FY19 to FY22.

In FY23 the Qantas Group generated corporate taxable income of \$2.1 billion. A significant portion of the carried forward tax losses was utilised in FY23 to offset this taxable income. The Qantas Group expects to recommence paying corporate tax instalments in the second half of FY24.

Contribution to Australia

The Qantas Group continues to have a significant role in the Australian economy, contributing \$14.1 billion to the national economy, representing approximately 0.6 per cent of Australia's GDP. Further, the Qantas Group's activities facilitate an additional \$14.9 billion through tourism expenditure across Australia.³

Taxes Paid/Collected — Tax Contribution Summary

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

	2022 \$M	2023 \$M
AUSTRALIAN TAXES		
Paid/Payable		
Corporate Tax — Australia	0	0
Payroll Tax	136	173
Fringe Benefits Tax	10	14
Other	46	59
Collected		
GST (collected and remitted)	741	1,372
GST (paid but reclaimed)	(550)	(1,084)
Personal Income Tax — Employees	588	833
Withholding taxes	0	1
Ticket Taxes, Fees and Charges ⁴	708	1,436
Sub-total	1,679	2,806
FOREIGN TAXES		
Paid		
Corporate Tax — Foreign	0	3
Fringe Benefits Tax	1	2
Other	0	1
Collected		
VAT/GST (collected and remitted) ⁵	12	26
VAT/GST (paid but reclaimed) ⁵	(19)	(43)
Personal Income Tax — Employees	13	26
Ticket Taxes, Fees and Charges ⁴	212	497
Sub-total	219	513
TOTAL	1,898	3,320

³ 2023 Deloitte Access Economics Report

⁴ Passenger ticket taxes/fees/charges levied by domestic and international Government authorities and Airports

⁵ Overseas VAT/GST including New Zealand, United Kingdom, Singapore and Japan