

# CareSuper – 2025 Tax transparency report

## Introduction

CareSuper is an award-winning, profit-to-member industry super fund. Our vision is to be Australia’s most trusted partner in retirement confidence through exceptional care and connection. We provide super, retirement, and advice options when needed to help members feel confident on their journey to, and through retirement.

## About this report

This 2025 Tax transparency report discloses the taxes paid by CareSuper for the financial year ended 30 June 2025. It includes details about the types and amounts of taxes paid (such as income tax and taxes withheld in respect of the tax liabilities of employees and superannuation fund members). It also summarises the principles that guide CareSuper’s tax governance.

The report was prepared in line with the voluntary Tax Transparency Code.

## Voluntary Tax Transparency Code

The *Tax Transparency Code* is a set of principles and minimum standards that were developed by the Board of Taxation to guide medium and large businesses, including superannuation funds (super funds), on the public disclosure of tax information.

Adopting the *Tax Transparency Code* is currently voluntary and is intended to complement Australia’s existing tax transparency measures.

The *Tax Transparency Code* is designed to encourage greater transparency by the corporate sector, including large Australian Prudential Regulation Authority (APRA) regulated superannuation funds, and to enhance the community’s understanding of how businesses comply with Australia’s tax laws.

## Role of the Australian Taxation Office (ATO)

The *Tax Transparency Code* is administered by the ATO.

Notwithstanding that the *Tax Transparency Code* is voluntary, the Government and the ATO expect that all responsible large and medium sized businesses operating in Australia, including super funds, adopt the *Tax Transparency Code*.

In delivering its findings to large APRA regulated superannuation funds as part of its “Justified Trust” reviews, the ATO states that:

*“The Tax Transparency Code is an important tool to assist our joint efforts in increasing tax transparency and community confidence that the largest taxpayers are paying the right amount of tax.”*

## Registration with the Board of Taxation

To adopt the *Tax Transparency Code*, a corporation, including a super fund, must register with the Board of Taxation.

Although the *Tax Transparency Code* is voluntary, the Fund is committed to providing this information to members and other interested parties to help them understand what taxes the Fund pay as a super fund, and to show how the Fund ensures the right amount of tax is paid in line with relevant tax laws.

The Fund first registered for the year ended 30 June 2020.

## Information to disclose

The minimum standard of information required under the *Tax Transparency Code* depends on business size.

As a large APRA regulated superannuation fund, CareSuper must adopt both Part A and Part B.

The minimum standards are described in the table below:

Tax transparency code disclosure	Minimum standard of information
Part A	<ul style="list-style-type: none"><li>• A reconciliation of accounting profit to tax expense and to income tax paid or income tax payable</li><li>• Identification of material temporary and non-temporary differences</li><li>• Accounting effective company tax rates for Australian and global operations [under Australian Accounting Standards Board (AASB) guidance]</li></ul>
Part B	<ul style="list-style-type: none"><li>• Approach to tax strategy and governance</li><li>• Tax contribution summary for corporate taxes paid</li><li>• Information about international related-party dealings</li></ul>

This report adopts the minimum disclosure standards recommended by the Board of Taxation.

It has not been audited and does not form part of CareSuper's financial statements.

## Summary of terms

Unless otherwise stated, throughout this report:

- references to 'CareSuper', 'the Fund' 'we', 'us', and 'our' refer to CareSuper (ABN 74 559 365 913) which was formerly known as 'Spirit Super' and its controlled entities (where applicable);
- references to a 'year' or 'financial year' are to the 12 months ended 30 June 2025;

- all dollar figures are Australian dollars (AUD).

### About CareSuper

CareSuper Pty Ltd (ABN 14 008 650 628, AFSL 238718) is the trustee of CareSuper (ABN 74 559 365 913).

The Fund:

- is regulated by APRA
- is a “complying superannuation fund” for Australian tax purposes
- is a public offer, profit-for-members industry super fund
- has approximately \$60 billion in funds under management and over 605,000 members Australia-wide at 30 June 2025.

## Part A

Part A	<ul style="list-style-type: none"><li>• A reconciliation of accounting profit to tax expense and to income tax paid or income tax payable</li><li>• Identification of material temporary and non-temporary differences</li><li>• Accounting effective company tax rates for Australian and global operations (under AASB guidance)</li></ul>
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### Accounting Standard AASB 1056

As a “superannuation entity”, CareSuper applies *Accounting Standard AASB 1056*.

As is relevant here, this standard requires CareSuper to prepare the following:

- a statement of changes in member benefits for the period
- an income statement for the period

### Statement of Changes to Member Benefits

The Statement of Changes in Member Benefits shows the tax on contributions.

The income tax expense disclosed in the Statement of Changes to Member Benefits on contributions is \$450,266,000. This may be reconciled as follows:

Income year ended 30 June 2025	Amount (\$'000)
<b>Total contributions</b>	
Including employer contributions, member contributions, rollovers and co-contributions	4,060,206
Prima facie income tax expense on contributions (at the superannuation tax rate of 15%)	609,031
<b>Adjusted for tax effect of the following items:</b>	
Non-assessable member contributions	(73,101)
Non-assessable government co-contributions	(265)
Non-assessable transfers in from other superannuation funds	(62,981)
No-tax file number (TFN) contributions (net of refund)	(845)
Deductible financial planning fee	(66)
Deductible insurance premiums	(21,507)
<b>Income tax expense</b>	<b>450,266</b>

## Income Statement

The Income Statement shows the tax on investment income.

The income tax expense disclosed in the Income Statement was an income tax expense of \$315,783,000.

The table below reconciles the differences between the accounting income at 15% and the income tax expense reported in the financial statements.

Income year ended 30 June 2025	Amount (\$'000)
Accounting income	4,465,749
Prima facie income tax expense (at the superannuation tax rate of 15%)	669,862
<b>Adjusted for tax effect of the following items:</b>	
Franking credits and foreign income tax offsets	(141,733)
Differences between investment income recognised for accounting and income tax including capital gains tax (CGT) discount, unrealised gains and unrealised losses	(89,197)
Over provision in prior year	(21,605)
Exempt pension investment income	(106,948)
Estimated assessable member contributions	5,400
Other	4
<b>Income tax expense</b>	<b>315,783</b>

## Reconciliation of income tax expense to income tax paid

The actual income tax we pay annually differs from the income tax expense shown in our annual financial statements.

This is mainly driven by how accounting standards and income tax law requires recognition of some items of income and expenses in different years.

The table below shows the difference between the amount of income tax expense in the financial statements and the income tax paid for the 2025 financial year.

Income year ended 30 June 2025	Amount ('000)
Income tax expense as per the financial statements	315,783
<b>Adjusted for tax effect of the following items:</b>	
Tax on assessable contributions	471,839
Deductible financial planning fee	(66)
Deductible insurance premiums	(21,507)
Movement in unrealised investment income	(219,246)
Decrease in net accrued expenses	(880)
Over provision of income tax relating to the current income year	(11,858)
Over provision of income tax relating to the prior income year	21,605
<b>Income tax paid as per the income tax return</b>	<b>555,670</b>

## Part A - Identification of material temporary and non-temporary differences

CareSuper is a complying superannuation fund and is subject to the provisions of *Division 295 of the Income Tax Assessment Act 1997*.

The material differences between the accounting treatment of an item and the tax treatment may be summarised as follows:

Material items	Explanation
After-tax member contributions	Member contributions where a member does not claim an income tax deduction are not included in the assessable income of the superannuation fund. This is a permanent difference.
Benefits	Benefits paid by a complying superannuation fund to members are non-deductible to the fund.
Rollover of tax-free and elements taxed in the fund	Rollover of components that consist of tax free and / or elements taxed in the fund are not subject to tax in the transferee fund.
CGT discount	Complying superannuation funds are entitled to claim a one-third CGT discount in relation to capital gains from CGT assets held for over 12 months.
Unrealised capital gains	A CGT event does not occur for income tax purposes until a complying superannuation fund has disposed of the CGT asset (i.e. realisation). Accordingly, any movement in the unrealised gain (or loss) is not subject to tax.
Franking credits	Complying superannuation funds are entitled to refundable tax offsets for franking credits attached to franked dividends.
Foreign income tax offsets	Complying superannuation funds may be entitled to non-refundable tax offsets for foreign tax withheld from foreign income, subject to a reduction to the extent the foreign tax relates to the one-third CGT discount, exempt current pension income or is reduced by the fund's foreign income tax offset cap.

## Part A - Accounting effective company tax rates for Australian and global operations (under AASB guidance)

### Effective income tax rate

Our effective tax rate (ETR) is calculated as total income tax expense divided by the sum of net investment income.

The effective tax rate for net investment income is 7.07% for the year ended 30 June 2025.

Many factors can impact the ETR, including long-term capital gains, franking credits, foreign income tax offsets and exempt current pension income.

Income year ended 30 June 2025	Amount (\$'000)
Results from superannuation investments activities before income tax expense	4,465,749
Total income tax expense based on income statement (as per financial statements)	315,783
<b>Effective tax rate</b>	<b>7.07%</b>

### Tax on superannuation contributions

The table below shows income tax expense on taxable contributions and the associated effective tax rate.

Income year ended 30 June 2025	Amount (\$'000)
Gross superannuation contributions received, including rollovers and government co-contributions	4,060,206
Total tax expense/(benefit) based on Statement of Member Benefits (as per financial statements)	450,266
Effective tax rate (after adjustments for amounts that are not tax deductible/non-assessable)	11.09%

## Part B

Part B	<ul style="list-style-type: none"><li>• Approach to tax strategy and governance</li><li>• Tax contribution summary for corporate taxes paid</li><li>• Information about international related-party dealings</li></ul>
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### Part B - Approach to tax strategy and governance

#### ATO Guidance on tax risk management and governance

The ATO has released guidance to taxpayers in relation to their expectations of how trustees of complying superannuation funds manage tax risk management and governance.

This guidance includes:

- The ATO “*Tax risk management and governance review guide*” (ATO Guide) (last updated 25 August 2022)
- The ATO “*Governance over third-party data review guide*” (ATO Supplementary Guide) (last updated 25 August 2022).

#### Tax Risk

In the case of CareSuper, “tax risk” is the risk that:

- CareSuper may be paying or accounting for an incorrect amount of tax (including both income and indirect taxes)
- the tax positions CareSuper adopts are out of step with the tax risk appetite that the Trustee Board of Directors (Board) have authorised or believe is prudent.

The Board is responsible for tax risk governance.

Ultimately, the Board is responsible for being aware of significant and complex tax matters and tax risks. The Board delegates this function to the Finance and Audit Committee.

#### CareSuper Tax Governance Framework

In response to this ATO guidance, we have a documented tax governance framework in the *Tax Policy and Investment Tax Policy*.

To support the tax risk management, we have a *Tax Policy and Investment Tax Policy* that sets out how we apply, implement and manage tax practices and issues, including our objectives, strategic principles, and risk culture.

#### CareSuper Tax Policies

CareSuper has documented *Tax Policies* (latest versions 1 November 2024).

The Tax Policies defines and communicates the approach to tax risk management and governance of CareSuper, including risk appetite, governance parameters in relation to tax, and the key persons and their responsibilities in relation to tax risk management.

### CareSuper Tax Management Principles

As outlined in the above policy documents, CareSuper has endorsed the following strategic tax principles.

- The taxation philosophy of the Trustee is to:
  - (i) maintain a conservative level of tax risk as per the Risk Appetite Statement;
  - (ii) maximise the after-tax returns to members; and
  - (iii) comply with the prevailing revenue laws in all relevant jurisdictions.
- Officers of the Group and the Directors shall act with the highest of integrity in relation to all taxation matters affecting the Fund or the Trustee.
- All transactions entered into by the Group must:
  - (i) have a commercial basis. The Fund will not participate in artificial or contrived tax avoidance schemes or sham transactions;
  - (ii) reflect the Trustee's fiduciary duties to its members; and
  - (iii) take into consideration the requirements of SIS.

### CareSuper Tax Objectives

Our key objectives for tax governance are:

- to meet all its taxation obligations
- to pay the appropriate amount of tax to the relevant authorities in relation to each of the above, taking into consideration that the Trustee is required to maximise the after-tax returns to members without engaging in any aggressive tax planning practices
- to manage its tax exposures to legally ensure that the effective after-tax investment

### Engagement with tax authorities

CareSuper is a participant in the ATO's Top 1,000 Combined Assurance Program.

This program forms part of the ATO's 'Justified Trust' initiative, which seeks to obtain greater confidence that Australia's largest taxpayers (including super funds) are paying the right amount of tax.

## Part B - Tax contribution summary for corporate taxes paid

### Income tax paid

As a complying super fund, we are subject to tax on Australian taxable income.

Income tax paid for the year ended 30 June 2025	\$555,670,000
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### Foreign tax paid

We have investments in offshore jurisdictions. We may be subject to tax in these jurisdictions, typically by withholding on income and / or gains.

Foreign tax paid for the year ended 30 June 2025	\$37,631,000
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### PAYG withholding tax withheld

We're required to withhold Pay-As-You-Go (PAYG) withholding tax from certain payments made, including certain payments made to employees and certain benefits paid to members.

PAYG withholding tax withheld for the year ended 30 June 2025 - in relation to employees	\$20,814,000
PAYG withholding withheld for the year ended 30 June 2025 - in relation to benefits paid to members	\$33,747,000

## Other taxes – FBT, GST and payroll tax

In addition to the above Australian and foreign income taxes, CareSuper is also subject to the following:

- Fringe Benefits Tax (FBT) – in relation to the provisions of fringe benefits to employees
- Goods and Services Tax (GST) – in relation to the making of taxable supplies
- State and Territories Payroll Tax (Payroll Tax) – in relation to the employment of employees in various states and territories

The information below details the taxes paid by CareSuper and controlled corporate entities.

FBT paid for the year ended 30 June 2025	\$208,000
GST paid for the year ended 30 June 2025	\$5,595,000  Note: CareSuper pays GST on taxable supplies and receives input taxed credits or reduced input taxed credits on GST incurred. This total is the net of these two amounts.
Payroll tax paid for the year ended 30 June 2025	\$4,707,000

## Part B - Information about international related-party dealings

### Non-investment international related parties

CareSuper does not have any non-investment related international related parties.

### Investment international related parties

CareSuper's international dealings involve our foreign investments. Our transactions are limited to dealing with offshore investment vehicles as part of our global investment strategy to provide diversified investment options and deliver optimal investment returns for our members. The investments are in many different countries and across many of our asset classes.

CareSuper takes its responsibility as a corporate global tax citizen very seriously. CareSuper invests in foreign investments only after undertaking appropriate and detailed tax due diligence, to ensure that we pay the appropriate amount of tax in the jurisdictions in which we invest, based on a sound and reasonable application of their tax laws.

In addition to this due diligence, CareSuper also ensures that all investment transactions are conducted at arm's length and that income returned to tax authorities globally and expenses incurred by CareSuper, are commercial.