

# **ANNUAL TAX TRANSPARENCY REPORT 2024**



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# ABOUT SCA

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- Southern Cross Austereo (SCA) is one of Australia's leading media companies reaching more than 95% of the Australian population through its radio, television, and digital assets, with Group revenues of \$499.4m in FY2024.
- SCA made a net tax contribution of \$92 million in FY2024. This included a total of \$15 million in income, payroll and fringe benefit taxes with an effective income tax rate of 29.1%. As a large employer, SCA collected \$77 million of PAYG withholding tax and GST.
- Leading brands supported by social media, live events, video, online and mobile assets, delivering national and local content ensures communities want to watch, listen to and engage with SCA in a meaningful way every day.
- Its strength as a media company comes from its people; high profile national and local celebrities; and talented and dedicated employees located in more than 60 offices.
- SCA reaches more than 10 million Australians every week across its expansive radio, television and digital networks.
- SCA comprises of Australian companies headed by an ASX listed company, Southern Cross Media Group Limited (SCMG). SCMG does not directly or indirectly, partly or wholly, own any foreign subsidiaries and the Group only operates in Australia.

# ABOUT THIS REPORT

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- This report provides information regarding SCA’s tax activities for the year ended 30 June 2024 (FY2024), including our approach to strategy and governance, information about our effective tax rate and an overview of our Australian tax contribution. It should be read in conjunction with SCA’s Annual Report 2024, which can be found on our website at [www.southerncrossaustereo.com.au](http://www.southerncrossaustereo.com.au)
- In preparing this report, SCA has followed the recommendations of the Board of Taxation’s voluntary tax transparency code (TTC) and has considered the AASB’s draft guidance on the TTC tax reconciliation and effective tax rate calculation disclosures.
- The aim of the TTC is to provide a mechanism by which medium and large companies can be publicly transparent around, and held accountable for, their Australian tax affairs, and to give stakeholders and the general public confidence that companies are compliant with their statutory tax obligations. SCA supports the concept of voluntary tax transparency and believes it improves public trust in tax compliance.

# BASIS OF PREPARATION

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The basis of preparing the disclosures in this report are as follows:

- All dollar figures in this report are in Australian currency
- Information in this report is sourced from: SCA's Annual Report; the consolidated income tax return for SCMG, which includes all the wholly owned Australian entities of the group; other SCA tax filings; SCA's internal financial and other records; SCA's Taxation Risk and Governance policy; and SCA's Audit & Risk Committee Charter
- The tax impacts of non-wholly owned subsidiaries consolidated by SCMG are included in the disclosures, which are drawn from SCA's Note 6 to the financial report. The tax impacts of those entities which are not consolidated, such as investments accounted for under the equity method, are not included in SCMG's income tax return, this report or separately disclosed in SCA's Annual Report
- SCA considers materiality based on both quantitative and qualitative factors, to ensure there are no misstatements that could influence the decisions that users make regarding their level of understanding of SCA's tax affairs
- SCA collated information from audited and other reliable sources as noted above. The report has been reviewed and signed off by the Chief Financial Officer. SCA has not obtained external assurance.



# APPROACH TO TAX STRATEGY AND GOVERNANCE

## Australian tax consolidated group

SCA lodges a single Australian tax return which consolidates the results of the wholly owned subsidiaries of the ASX listed head company of the group, SCMG. Non-wholly owned Australian subsidiaries submit their own tax returns.

SCA does not have any non-Australian subsidiaries or operations and hence has no international related party dealings.

## Audit and Risk Committee

Tax risk management and governance falls under the oversight of the Audit and Risk Committee (ARC) and tax risk is managed pursuant to documented policy. Management reports to the ARC on any significant taxation matters as they arise. SCA's professional tax advisor reports to the ARC on SCA's taxation affairs at least annually.

## Meeting all tax responsibilities

SCA's tax risk management and governance principles are documented and enforced through SCA's documented tax governance framework, including the Board endorsed Taxation Risk and Governance Policy published on our website, together with operationally focused internal documentation. The framework categorises tax risks and mandates steps SCA needs to manage such tax risks, including obtaining external professional advice on materially significant transactions.

SCA is committed to meeting all its tax responsibilities and engages with all taxing authorities at a federal, state and territory level in a professional and constructive manner.

SCA takes a conservative approach to its tax planning, which is consistent with its low-risk appetite in regard to taxes. Taxes are managed with the objective of filing all returns and paying all taxes on time and in accordance with applicable legislation. SCA has implemented a process of ongoing review of its tax controls.

The ATO completed a Combined Assurance Review of the Group during FY2022, which covered the 2017 to 2020 income tax years. The Group received the highest ratings possible from the ATO, which confirmed that the Group 'provided evidence to demonstrate that a tax control framework exists; has been designed effectively and is operating effectively in practice'; and that the ATO 'obtained a high level of assurance that the right Australian income tax outcomes were reported in' the Group's 'income tax returns'.

# Effective tax rate and reconciliation of accounting profit to income tax FY2024



The income tax expense disclosed in SCA's FY2024 financial report is calculated based on Australian Accounting Standards.

The effective tax rate for FY2024 excluding significant items was 29.1% (FY2023: 30.9%).

A reconciliation of SCA's accounting profit to income tax expense and effective tax rate is provided below.

## Reconciliation of accounting profit to tax expense (refer Note 6 of SCA's FY2024 financial report)

A\$'000	FY2024		FY2023	
	Reported	TTC <sup>1,2</sup>	Reported	TTC <sup>1,2</sup>
<b>Profit/(loss) before income tax expense</b>	<b>(320,578)</b>	<b>16,217</b>	<b>27,253</b>	<b>31,214</b>
Tax at the Australian tax rate of 30%	(96,174)	4,865	8,176	9,364
Add tax effect of recurring items:				
Non-deductible entertainment expenses	685	685	748	748
Less tax effect of recurring items:				
Share of net profits of associates	(111)	(111)	(209)	(209)
Other net (non-assessable income) / non-deductible expenses	(726)	(726)	(269)	(269)
Tax effect of non-recurring items:				
Impairment of intangibles and investments	-	-	-	-
Adjustments recognised in the current year in relation to prior years	352		(302)	
<b>Income tax expense</b>	<b>(95,974)</b>	<b>4,713</b>	<b>8,144</b>	<b>9,634</b>
<b>Effective tax rate</b>	<b>29.9%</b>	<b>29.1%</b>	<b>29.9%</b>	<b>30.9%</b>

1. Excludes prior year tax impacts

2. Excludes the impairment of intangibles and other significant items

# Effective tax rate and reconciliation of accounting profit to income tax FY2024 (cont.)



A reconciliation of SCA's income tax expense to income tax payable per SCA's FY2024 financial report is provided below.

## Reconciliation of income tax expense to tax payable (Refer tax paid in the Consolidated Statement of Cash Flows in SCA's 2024 financial report)

A\$'000	FY2024	FY2023
<b>Income tax expense/(credit)</b>	(95,974)	8,144
Deferred tax credit (temporary differences)	98,614	601
Adjustment for current tax of prior periods	2,578	212
<b>Tax payable - current year</b>	5,218	8,957
Timing differences between tax expense and tax payments <sup>1</sup>	(2,950)	(1,538)
<b>Tax paid</b>	<b>2,268</b>	<b>7,419</b>

Income tax expense is recognised based on the applicable Australian accounting standards. It reflects income tax expense that may be accrued and adjustments for items under the accounting standards for the reporting period that do not necessarily result in an immediate cash tax impact for that period. Given this, we have provided a reconciliation of cash tax paid to income tax expense for FY 2023 on the next page.

1. Prior year tax paid/received in FY2024 and FY2024 tax payable/receivable in FY2025



# Reconciliation to ATO public data disclosures FY2023



As SCA has a total income of more than \$100 million, the ATO will publish certain tax information on the Australian Government Data website drawn from SCMG's consolidated income tax return (Tax return). The information expected to be published for FY2023 is shown below, with a description of how this bridges to the disclosures contained in SCA's FY2023 financial report.

The ATO is expected to publish SCMG's tax information for FY2023 as follows:

<b>FY2023 Tax return</b>	<b>A\$'000</b>
Total income	502,155
Taxable income	25,130
Income tax payable	7,003

The total income of the SCMG tax consolidated group listed above was derived from the underlying financial records of SCA for the companies that are members of the SCMG tax consolidated group. The accounting profit before tax and significant items for these companies was \$31.214m in the FY2023 financial report. This results in a TTC effective tax rate of 30.9% for FY2023.

The income tax payable as per note 7 of the FY2023 financial report was \$8.957m.

The difference between the ATO reported amount of \$7.003m and the \$8.957m amount reported in Note 7 of the financial statements arose because SCMG used accounting estimates for financial reporting purposes in relation to property, plant and equipment deductions, accruals and entertainment expenses. SCMG subsequently determined the correct taxation treatment for these expenditures and profits, which led to the amounts reported in the FY2023 income tax return.

# Tax contribution summary for FY2024



A summary of the total cash taxes paid to Australian federal and state tax authorities for the year to 30 June 2024 is provided below.

Note that income tax incurred is the amount paid in the year, while the other taxes incurred and collected represent amounts paid in respect of the year.

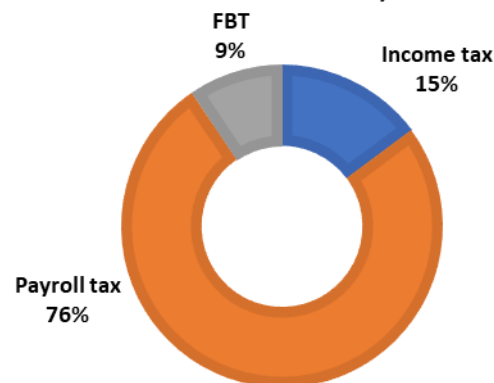
## SCA's tax contribution summary to 30 June 2024

A\$'000	FY2024	FY2023
<b>Taxes incurred by SCA</b>		
Income tax <sup>1</sup>	2,268	7,419
Payroll tax	11,580	11,305
Fringe benefits tax (FBT) <sup>2</sup>	1,449	1,392
<b>Total taxes incurred by SCA</b>	<b>15,297</b>	<b>20,116</b>
<b>Taxes collected and remitted by SCA</b>		
Employee taxes withheld	52,402	49,230
GST	24,485	23,494
<b>Total taxes collected and remitted by SCA</b>	<b>76,887</b>	<b>72,724</b>
<b>Total taxes paid and collected by SCA</b>	<b>92,184</b>	<b>92,840</b>

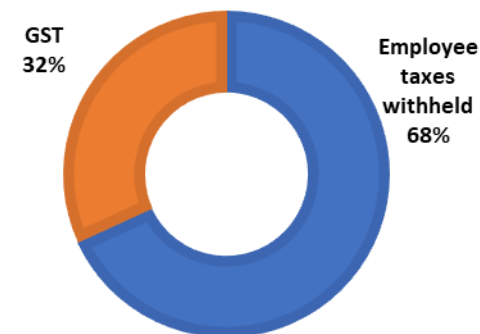
1. The income tax amount is the amount paid in the year and may differ from the final income tax payable for FY2024

2. FBT cash paid for the year to 31 March 2024

### TAXES INCURRED BY SCA FY2024, %



### TAXES COLLECTED AND REMITTED BY SCA FY2024, %



**SCA**