Tax Transparency Report

For the year ended 30 June 2025

Contents

Introduction

Rest is one of Australia's largest profit-to-member super funds, with more than 2 million members and around $98.7billion in funds under management.[1]

About Rest

We're focused on making super simpler and easier for our members, so they can feel more confident about their future.

Our members come from all walks of life across Australia – from people starting their first job to those already in retirement. Many work part-time or casually while supporting their families, and across a wide range of industries and workplaces.

Whatever their stage of life, we're here to help them achieve their best possible retirement outcome.

Acting in the best interests of our members is at the heart of everything we do.

About this report

At Rest, we know our members trust us to look after their retirement savings and act in their best financial interests.

Being open and transparent about how we manage tax is an important part of maintaining that trust.

For this reason, Rest is a participant in the Voluntary Tax Transparency Code, which sets principles and standards to guide the public disclosure of tax information.

The Code was developed by the Board of Taxation and is administered by the Australian Taxation Office (ATO). It is intended to encourage greater transparency and improve the public's understanding of how businesses and institutions comply with Australia's tax laws.

This report covers the 2024/25 financial year and has been prepared in accordance with the Code's minimum standards of information for Part A and Part B, and certain recommendations contained within the Board of Taxation's Consultation Paper regarding the 'Post-Implementation Review of the Tax Transparency Code' dated February 2019. All information presented within this report has been sourced from Rest's audited financial statements for the year ended 30 June 2025 in accordance with the relevant AASB applicable to superannuation entities.

We also acknowledge and intend to comply with the new, redesigned Voluntary Tax Transparency Code that will be applicable from 1 July 2026.

[1] $98,650m per the Fund's Annual Financial Report as at 30 June 2025.

Approach to tax strategy and governance

How superannuation funds are taxed

Superannuation is an integral part of the Australian government's retirement income policy. In recognition of the important and long-term nature of superannuation in the Australian economy, superannuation funds and the benefits they pay are subject to a special income tax regime.

Superannuation funds generally pay tax at a rate of 15 per cent. Special rules apply to effectively tax certain capital gains at 10 per cent. Income related to assets supporting pension payments is exempt from tax.

Superannuation funds also benefit from the imputation system, getting a franking credit against the tax they owe for the tax already paid by companies paying dividends.

Where a superannuation fund pays taxes to foreign governments, it may get a credit against Australian tax for the foreign taxes paid. This helps prevent the fund being taxed twice on the same income.

For this reason, a superannuation fund's effective tax rate will depend on a variety of factors, such as the mix of assets a fund holds, and the value of pensions paid.

These special tax rules mean that comparing effective tax rates across superannuation funds may be difficult.

We aim to ensure that plans are developed and implemented for effective and prudent management of the Fund's taxation matters while meeting all legislative requirements.

Our approach to taxation is implemented to support long term, after-tax returns for members to enable them to achieve their retirement outcomes.

Governance

Ultimate responsibility for the management of tax risk sits with Rest's Board of Directors.

We have established a formalised Tax Risk Management and Governance Framework to guide the identification and management of tax risk and support compliance with applicable taxation laws and obligations. Since the start of the 2024/25 financial year, the Framework incorporates governance over third-party data.

Set out in the Framework is our overall approach to the implementation and management of tax issues expressed as follows:

1. Complying with all relevant legislation and meeting tax obligations in a timely manner.
2. Applying the Fund's tax policies and the Framework in accordance with the Board approved Rest Risk Management Strategy and Risk Appetite Statement.
3. Maintaining a cooperative relationship with the ATO and other revenue authorities both domestically and internationally.
4. Maintaining acceptable assessment ratings with revenue authorities.
5. Protection of Rest's reputation in relation to tax matters.

We are committed to fully complying with and meeting its obligations under tax laws and paying taxes by their due date. We seek to manage the Fund's taxes in an open and consultative manner with tax authorities around the world.

Engagement with tax authorities

The ATO's Top 1,000 Program seeks to increase the ATO's level of assurance that Australia's largest taxpayers are reporting the right amount of income tax and GST, or identify areas of income tax or GST risk for further action. Typically, under the Top 1,000 Program, the ATO seeks to undertake assurance reviews of the top 1,000 taxpayer population every four years. Rest, like many APRA and ASIC regulated superannuation funds, is a participant in the ATO's Top 1,000 Program and as a result has participated in a number of ATO assurance reviews.

Reconciliation of income tax expense

Not all amounts recognised as income in a fund's financial statements will be treated as income for tax, nor will all expenses be deductible for tax. Accounting income must be adjusted for a variety of items that tax law treats differently to calculate taxable income which is the amount on which Rest pays tax.

The tax rules that apply to superannuation funds mean that income tax expense will usually be lower than if the tax rate were applied to the accounting net result or income.

The following table shows the prima facie income tax expense which is simply the 15 per cent tax rate for superannuation funds applied to the net result from superannuation activities and the adjustments that are made to this number to reach income tax expense.

Reconciliation of accounting income to income tax expense – 2024/25

	Income statement $ million	**Change in member benefits $ million**	**Total $ million**
Net result from superannuation activities	9,152	10,975	20,127
Prima facie income tax expense (at 15% applied to the accounting net result)	1,373	1,646	3,019
Adjusted for the following items			
Non-taxable member contributions and rollovers in		(239)	(239)
Tax exempt pension income	(52)		(52)
Franking credits and foreign tax offsets	(290)		(290)
Tax benefit on insurance premiums	(68)		(68)
Other non-assessable investment income	(358)		(358)
Expenses not deductible	20		20
Other		1	1
Under provision for prior years	8		8
Income tax expense	**633**	**1,408**	**2,041**
Effective rate of income tax (prima facie tax expense adjusted by non-assessable/ non-deductible amounts)	**6.92%**	**12.83%**	**10.14%**

Income tax expense is not the amount of tax paid to the ATO in that year.

This is because accounting standards and tax law require some items of income and expenditure be recognised at different times. The following table shows the adjustments we have made to income tax expense to reach income tax paid.

Reconciliation of income tax expense to income tax paid – 2024/25

	Income statement $ million	Change in member benefits $ million	Total $ million
Income tax expense	633	1,408	2,041
Under/ (Over) provision for tax current year	(3)	5	2
Net unrealised investment gains	(390)		(390)
Accrued income and expenditure	36		36
Impact of over provision prior year	(8)		(8)
Subtotal	**268**	**1,413**	
Income tax paid 2024/25			**1,681**

Tax contribution summary

The graph and table below show the different types and amounts of Australian taxes paid and collected by Rest for FY2024/25.

Australian taxes paid and collected by Rest

Australian taxes paid and collected by Rest	
Taxes paid by Rest	**$ million**
Income tax	1,681
Payroll tax	8
Fringe Benefits Tax	0.4
Taxes collected by Rest	
Taxes relating to employee salaries	43
Net GST remitted to/(refunded by) the ATO	(20)
Taxes relating to member benefit payments	87

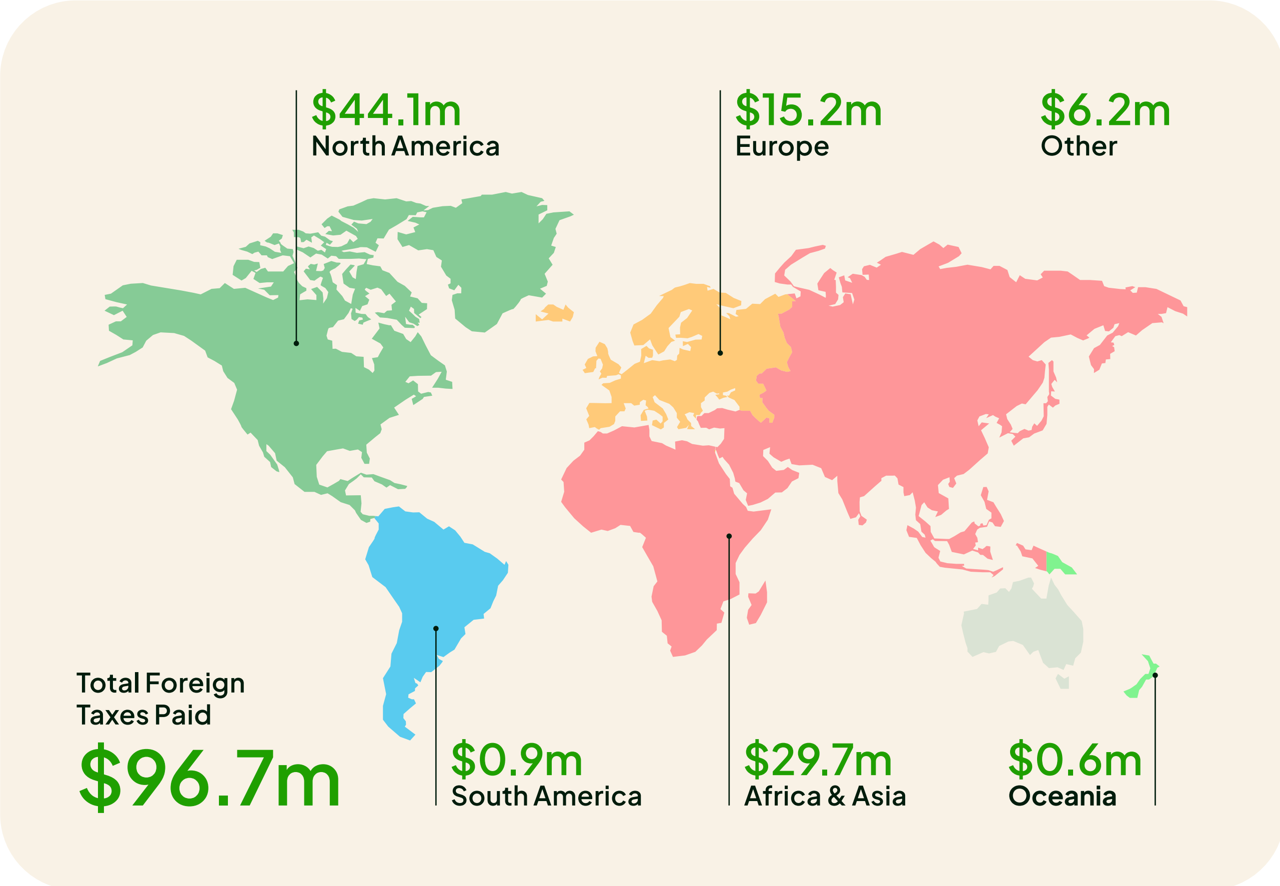
Information about international related party dealings

As a large superannuation fund, Rest invests internationally. This helps to diversify investment risk and maximise returns to our members.

To assist with our management of international investments, Rest maintains offices with investment management staff in the UK.

Our international investments are in both listed and unlisted markets and across all asset classes.

As a result, in the 2024/25 financial year Rest paid $96.7m of foreign taxes in respect of its international investments, in the following regions:



From time to time, Rest will also invest in vehicles which are domiciled in low or no-tax jurisdictions. It is almost inevitable that large investors who invest outside Australia will invest in funds located in such jurisdictions. Many well-regarded international investment managers choose to base their funds in such locations for a variety of commercial and legal reasons.

The low or no-tax country provides a tax-neutral platform where the manager can aggregate investors' funds from all over the world. Rest pays the appropriate taxes in the countries where the investments are located and also in Australia with an offset for eligible foreign taxes paid.

Rest is also a Country by Country Reporting Entity and accordingly complies with its country by country reporting obligations to facilitate the exchange of tax related information between the relevant revenue authorities and the jurisdictions in which Rest operates.

We're here to help

Visit us
rest.com.au

Ask questions
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Live
Monday to Friday
8am - 8pm
Saturday
9am - 5pm
(AEST/ AEDT)

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Published by Retail Employees Superannuation Pty Limited
ABN 39 001 987 739 AFSL 240003 as trustee for
Retail Employees Superannuation Trust ABN 62 653 671 394
Unique Superannuation Indentiifier RES0103AU
PO Box 350 Parramatta NSW 2124