

Brighter Super
Tax Transparency Report
For the year ended 30 June 2025



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Message from Chief Financial Officer

Stronger, more efficient Fund

As a profit-for-member superannuation fund, Brighter Super's approach to taxation is intrinsically linked to delivering sustainable, after-tax returns for members. In FY25, the Fund continued to generate strong investment performance, with diversified investment options demonstrating resilience through periods of global market volatility and supporting long-term member outcomes. Brighter Super maintains a disciplined tax governance framework and is committed to managing tax risk prudently, maintaining open relationships with tax authorities, and contributing appropriately to the Australian and global tax systems through its activities.

In FY25, Brighter Super remitted \$249M in Australian taxes across a range of Federal and State obligations. It also paid \$35M in foreign taxes in the jurisdictions in which it invests. Details of these payments are set out in this report.



Patrick Jodas
Chief Financial Officer

Introduction

About Brighter Super

Brighter Super is a Queensland-based superannuation fund that has been operating for over 60 years.

Brighter Super is 100% member-owned. We do not have any shareholders, which means we are a profit-for-member fund. We work hard to keep our fees and costs as low as possible, and our members come first in everything we do.

We are also an open fund, welcoming members from government and private sectors, and the wider community.

About this report

The Tax Transparency Code ("TTC") developed by the Board of Taxation is a set of principles and minimum standards to guide medium and large business on public disclosure of tax information. This report is published on a voluntary basis and is part of Brighter Super's commitment to improved tax disclosure to our members and other interested parties.

Brighter Super is committed to strong governance, accountability and transparency with all stakeholders, including members, regulators, employees and the community. Brighter Super recognises the importance of greater tax transparency by large taxpayers and enhancing the community's understanding of taxpayers' compliance with Australia's tax laws. For this reason, Brighter Super is a participant in the Voluntary Tax Transparency Code.

This Tax Transparency Report is designed to provide insight into compliance with Brighter Super's tax obligations, tax strategy and governance arrangements as well as the amount of taxes paid.

Australia's tax regime for superannuation funds

In Australia, superannuation funds are required to pay or withhold tax (generally at a rate of 15%, subject to various adjustments and tax offsets) on:

- Contributions received from or on behalf of members (apart from after-tax contributions or taxed roll-overs from other super funds)
- Investment earnings generated for members in the accumulation and transition to retirement phase, noting capital gains on assets held for more than 12 months attract a one-third discount and are effectively taxed at the rate of 10%
- Some benefits paid to members (depending on the type of benefit and the age and circumstances of the recipient)

Tax strategy and governance

Brighter Super's approach to tax strategy and governance is outlined in its Tax Risk Management Policy (the "Policy"), which is reviewed and approved by the Finance Committee of the Brighter Super Board. The Tax Risk Management Policy is a subsidiary policy within Brighter Super's Financial Management Framework which contains the Board approved principles for its approach to tax. The strategic objective of Brighter Super's tax function is to "identify, manage and monitor tax risks that might jeopardise a secure source of retirement income for Brighter Super's members". This is in line with the primary investment objective to provide a secure source of retirement income for Brighter Super's members.

The key strategic tax principles which Brighter Super is committed to achieving are:

- Not to breach tax laws, tax filing or tax payment obligations in any jurisdiction
- Achieve a high standard of integrity as a responsible taxpayer and good corporate citizen
- Maintain open and honest relationships with all tax authorities
- Take prudent steps to maximise member returns sustainably within the Board's tax risk appetite
- Ensure that the tax applied to member returns to the extent possible is fair and equitable and reflects the most accurate after tax return for each member
- Sufficiently resource tax advisory and tax compliance activities, supported by expert external advisers
- Strive to comply with both the letter and 'spirit' of tax laws and regulations in all relevant jurisdictions

Brighter Super invests in a diverse range of assets, geographic locations and legal structures to optimise investment performance and after-tax returns for investors, whilst ensuring that any tax risk associated with the investments is appropriately considered and managed.

Brighter Super also invests into third party managed collective investment vehicles which aggregate funds from various investors (including Brighter Super). In this regard, though tax may not be paid by these collective investment vehicles, Brighter Super is subject to tax on the income it earns from such collective investment vehicles. For collective investment vehicles established in overseas jurisdictions or that hold foreign assets, such tax may be payable in both the jurisdiction where the relevant assets and investment activity is located, as well as in Australia, as determined by the relevant tax laws and regulations.

Relationship with tax authorities

Brighter Super is committed to maintaining an open, transparent, honest and cooperative approach with tax authorities. Brighter Super takes a proactive approach to:

- Providing tax authorities with required information for the fund on a timely basis.
- Managing tax uncertainties, by engaging in discussions with tax authorities, and seeking rulings / clearances from tax authorities where appropriate.
- Working with tax authorities in an open and constructive manner to resolve any issues and to minimise the risk of disputes which might attract additional taxes, penalties and costs.
- Engage in consultation with the tax authorities, either directly or together with other industry superannuation funds or representative bodies, on matters relevant to improving processes or on any proposed changes to the law that are open for consultation.

International related party dealings

Brighter Super's international-related party dealings are limited to arm's length transactions between investment entities controlled by Brighter Super that have been established to facilitate investments made on behalf of members. Brighter Super has no other international-related party dealings.

Tax contribution

Brighter Super is a significant taxpayer and contributes to government revenues in Australia by paying various taxes. Due to the global nature of its investments, Brighter Super also pays taxes in foreign jurisdictions where it invests.

Summary of taxes paid

The Brighter Super operating group of entities consists of Brighter Super as well as the following wholly owned companies:

- ESI Financial Services Pty Ltd
- Globe Hold Co Pty Ltd
- LGIAsuper Corporate Services Pty Ltd
- SPSL Services Pty Ltd

The table below outlines taxes paid or payable for FY25 by the Brighter Super operating group of entities.

Tax type	\$'000(AUD)
Income tax	216,950
GST	(4,766)
FBT	242
Payroll tax	2,369
Duties	0
PAYG withholding tax	33,827
Total Australian taxes	248,622
Total foreign taxes	34,814
Total taxes	283,436

Income tax reconciliations

Reconciliation of accounting profit to income tax expense

Australian Accounting Standards require entities to calculate and disclose various tax balances in their financial statements including their income tax expense for the relevant period. Outlined below is a summary reconciliation of accounting profit to the income tax expense disclosed in Brighter Super's financial statements for FY25. The effective tax rate has been calculated based on the *prima facie* tax rate for a superannuation fund (15%) and for wholly owned corporate entities (30%) as appropriate.

Reconciliation of accounting profit to income tax expense	\$'000 (AUD)	\$'000 (AUD)	%
Operating result before income tax	3,511,014		
Prima facie income tax expense/(benefit), at the tax rate of 15%		524,953	15%
Prima facie income tax expense/(benefit), at the tax rate of 30%		3,399	30%
Adjustments			
Increase in tax expense due to non-deductible expenses (primarily relating to exempt pension income)		24,321	
Decrease in tax expense due to non-assessable investment income (primarily relating to exempt pension income)		(51,577)	
Decrease in tax expense due to imputation and foreign tax credits		(116,822)	
Decrease in tax expense due to Discount Capital Gains		(33,512)	
Increase in tax expense due to prior period adjustments & reconciliations		18,868	
Decrease in tax expense due to unrealised capital gains and other temporary differences		(138,767)	
Decrease in tax expense due to deductible insurance premiums charged to member accounts		(63,365)	
Adjustment total		(360,854)	
Income tax expense / (benefit) (after adjustments)		167,498	
Effective tax rate			4.77%

The effective tax rate in respect of Net Contribution Revenue is not included in the above calculation as contributions are not included in the Income Statement under Australian Accounting Standards. The effective tax rate in respect of Contributions is outlined in the table below:

Contributions	\$'000
Gross contributions	2,677,033
Less member and other non-taxable contributions, including deductions relating to contributions	(1,095,666)
Taxable contributions	1,581,367
Tax on taxable contributions at 15%	237,205
Effective tax rate on gross contributions	8.86%

Reconciliation of income tax expense to income tax payable

Outlined below is a summary reconciliation of income tax expense disclosed in the financial statements for FY25 for Brighter Super and actual tax payable for the year.

Reconciliation of income tax expense to income tax payable	\$'000 (AUD)	\$'000 (AUD)
Income tax expense / (benefit)		167,498
Tax expense on contributions		237,205
Unrealised (gains)/losses on investments & other timing differences		(160,312)
Differences between tax provision and income tax return		
Realised capital (gains) losses on investments	146	
Assessable / non-assessable investment income	(7,266)	
Imputation and foreign tax credits	(3,497)	
Exempt pension income	1,092	
Deductible / non-deductible expenses	242	
Contributions	693	
Other	17	(8,573)
Prior period adjustment		(18,868)
Income tax payable - total		216,950

Definitions

Goods and services tax (GST)

Brighter Super's supplies are classified as input taxed for GST purposes. GST is not charged on such supplies, and Brighter Super is generally not entitled to claim input tax credits in respect of costs associated with making these supplies other than certain acquisitions for which an entitlement to a Reduced Input Tax Credit exists at a rate of 75% or 55%.

Franking credits

Franking credits arise from franked dividends received by Brighter Super from companies in which Brighter Super has an interest (either directly, or through interposed holding trusts) and that have paid Australian income tax on their taxable income. They ensure Brighter Super is only exposed to tax on the taxable income of those companies at the rate Brighter Super would be exposed if it derived that income directly. As Brighter Super's tax rate is lower than the corporate tax rate, franking credits will generally result in a reduction to Brighter Super's total income tax expense.

PAYG withholding tax

In 2024-25 Brighter Super withheld and remitted tax from salary and wages paid to staff and payments of certain superannuation benefits to members and their beneficiaries.

ETR (Effective tax rate)

This is the income tax expense recognised in the financial statements divided by Operating result before income tax.

Over/under provisions

These are the differences between the current and deferred tax expense recorded in the financial statements and the actual tax reported in tax returns. Such differences usually arise as additional tax information becomes available after balance date as part of the preparation and lodgement of Brighter Super's income tax return.

Temporary differences

Temporary differences arise from differences in financial periods when revenue and expenses are recognised under Australian taxation law and the Australian financial accounting rules.

Payroll tax

Brighter Super is subject to payroll tax in Queensland, New South Wales and Western Australia.

Fringe benefits tax (FBT)

Brighter Super is subject to FBT on certain fringe benefits provided to employees. The FBT reported in this report is based on tax payments made in FY25.

Duties

Brighter Super is subject to duty under the laws of Australian States and Territories (such as transfer duty) on dutiable transactions in those respective States and Territories. No relevant amount of duty was paid in respect of FY25.



right by your side

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Brighter Super Trustee (ABN 94 085 088 484 AFSL 230511) (Trustee) as trustee for Brighter Super (ABN 23 053 121 564) (Fund).
Brighter Super may refer to the Trustee or the Fund as the context may be. Brighter Super products are issued by the Trustee on behalf of the Fund.