

Taxation Reconciliation – 2023-2024 Financial Year

The Government has announced that it will again be publicly disclosing the amount of tax payable by Australian Foundation Investment Company Limited (“AFIC”) and other large companies.

For the 2023-24 year the amounts to be shown can be reconciled to AFIC’s Annual Report as below:

	\$'000
Profit before tax for 2024 as per Accounts	318,935
Less : profit of subsidiary (taxed separately)	(1,372)
Add : gains from investments held on revenue account	31,627
Less : unrealised gain on trading portfolio	(860)
Add : net capital gains	76,684
Add : income accounted for in past years	30,786
Less : income not taxable in current year	(44,127)
Add : minor items taxable	718
Add : franking credits received	101,497
Taxable income	513,888
Tax Payable at 30%	154,166
Tax paid overseas	(1,721)
Tax paid by companies that AFIC invests in	(101,497)
Total Tax Paid or Payable	50,948

As can be seen, AFIC is subject to a 30% taxation rate on its taxable profits, which are usually higher than its accounting profits due to capital gains and franking credits.

Of the \$154.2 million due in taxation, the majority (approximately 67%) has already been paid by the companies that AFIC invests in, resulting in the franking credits that AFIC passes on to its shareholders, thereby avoiding double or even triple taxation.

This left \$50.9 million of Australian tax owing (64% of which related to gains on sale of investments), which AFIC was required to pay and which has been paid either during the year ended 30 June 2024 via the PAYG system or during the year ended 30 June 2025.

This information was previously presented in the AFIC Tax Transparency Report 2023-24 which is also available on the Company’s website.

Please direct any enquiries to:

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