Tax Transparency Report
2024-25

Defence Housing Australia

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Defence Housing Australia Tax Transparency Report 2025 Overview

Defence Housing Australia (DHA) is pleased to present the DHA Tax Transparency Report for the income year ended 30 June 2025. The report is intended to support public tax transparency by explaining DHA's Australian tax contribution, tax governance arrangements and approach to meeting is tax obligations in a clear and accessible way.

DHA was established in 1988 under the *Defence Housing Australia Act 1987* (DHA Act) to provide housing and related services to Defence members and their families. Under the DHA Act, DHA is subject to taxation under the laws of the Commonwealth, which include income tax, Goods and Services Tax (GST) and Fringe Benefits Tax (FBT). DHA is exempt from State and Territory taxation. However, DHA is required to make state tax equivalent payments to the Commonwealth to avoid a net competitive advantage.

Tax Governance and Policy

DHA has developed a Board approved tax corporate governance policy that sets out the approach and outline the framework by which DHA's tax obligations are met from an operational and risk management perspective. DHA's approach to taxation is determined by the risk tolerance established by the Board and its delegated responsibility to the Board Audit and Risk Committee.

DHA pursues an approach to tax that is principled, transparent and sustainable in the long term.

The core principles governing DHA's tax policies are:

- Complying with all statutory obligations and making full disclosure to revenue authorities.
- Maintaining documented policies and procedures for tax risk management, and completing thorough risk assessments, including escalation and reporting to the Board where prescribed.
- Engaging with revenue authorities and actively considering the implications of tax planning for DHA's wider reputation.
- Managing DHA's tax affairs in a proactively to support public accountability, transparent governance and long-term shareholder value, while operating in accordance with the law.

Taxation Risk and Tax Planning

The Chief Financial Officer is responsible for the managing DHA's tax risks. The Managing Director, Chief Operating Officer and Board Audit and Risk Committee receive regular updates on tax compliance, and any significant tax risks are reported to the Board.

DHA has a low risk tolerance for non-compliance with tax legislation. DHA's objective is to ensure that all tax liabilities are correctly recorded.

DHA does not engage in tax planning that may be considered artificial or inconsistent with support for genuine business and commercial activities.

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Depending on the nature and size of certain matters, DHA will adhere to the documentation and processes set out in DHA's Tax Operations Manual, which includes obtaining professional opinions from external advisers and/or engaging with the Australian Taxation Office (ATO) through private binding rulings. At all times, DHA will only adopt a tax position that is at least reasonably arguable.

Assurance Regimes

DHA is subject to an annual internal audit as well as an annual audit by the Australian National Audit Office under section 98 of the *Public Governance, Performance and Accountability Act 2013*.

DHA meets its disclosure obligations by providing the ATO with required information through lodgements, reviews and audits. In the 2024-25 financial year, the ATO commenced an assurance review of DHA as part of its Top 1000 Tax Assurance Program, covering a four-year period between 1 July 2020 and 30 June 2024 for income tax and the 2023-24 financial year for GST. As at 30 June 2025, the review was ongoing, and no report had been issued.

Basis of Preparation

This report has been prepared having regard to the requirements set out in the Australian Board of Taxation's Voluntary Tax Transparency Code, including the version issued in October 2025.

This report should be read in conjunction with the DHA Annual Report 2024-25.

The report is prepared internally, using information sourced from:

- DHA's audited financial statements
- DHA's Income Tax Return lodged with the ATO, and
- Information lodged with other relevant revenue authorities.

The audited financial statements are subject to materiality in accordance with the relevant Auditing Standards. From a tax perspective, the concept of materiality does not apply to lodgement obligations with revenue authorities.

The report undergoes an internal review process through the Chief Financial Officer before it is tabled with the Board Audit and Risk Committee prior to publication.

For clarity, this report distinguishes between income tax expense, income tax payable or refundable, income tax paid, taxes collected and remitted on behalf of others, and state tax equivalent payments. These measures are related but represent different aspects of DHA's tax position and contribution.

Tax Contribution

In 2025, DHA paid $13.012 million in taxes on its own behalf and collected and remitted a further $23.758 million to the ATO on behalf of employees and other entities. DHA also made $50.552 million in state tax equivalent payments to the Commonwealth, reflecting its obligation to avoid a net competitive advantage from its exemption from State and Territory taxation.

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TAX CONTRIBUTIONS	2025
	$'000
Taxes paid by DHA to the ATO on its own behalf	
Corporate Income Tax	12,556
Fringe Benefits Tax	456
Total tax paid	**13,012**
Taxes collected and paid by DHA to the ATO on behalf of employees and other entities	
Net GST Paid	6,305
Employee PAYG Withholding Tax	17,453
Total tax collected	**23,758**

Although DHA is not required to pay state taxes, the amounts outlined below are paid to the Commonwealth that are considered state tax equivalents in accordance with section 63A of the DHA Act.

STATE TAX EQUIVALENT CONTRIBUTIONS	2025
	$'000
State tax equivalent payments paid by DHA on its own behalf	
Payroll Tax Equivalent	4,801
Land Tax Equivalent	42,838
Stamp Duty Equivalent	2,913
Total state tax equivalent paid	**50,552**

Reconciliation of accounting profit to income tax expense

A reconciliation of DHA's accounting profit before tax to income tax expense is disclosed in the 2025 financial statements at note 9.b. Income tax expense is calculated in accordance with Australian Accounting Standards and represents the accounting profit before tax multiplied by the current corporate tax rate of 30%, adjusted for permanent tax differences. This calculation is reproduced in the table below:

RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX EXPENSE	2025
	$'000
Profit from continuing operations before income tax expense	**33,762**
Prima facie income tax expense at 30%	10,129
Tax effect of adjustments for non-taxable items	
Derecognition of deferred tax balances	(96)
Adjustments in respect of prior periods	(18)

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Other	(126)
Income Tax expense per Financial Statements	**9,889**

Reconciliation of income tax expense to income tax payable

Temporary differences represent the difference between how transactions are recognised for accounting purposes and when they are recognised for income tax purposes, generally referred to as deferred tax movements. The table below reconciles the income tax expense reported in the financial statements with the actual tax payable reported in the income tax return.

RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX PAYABLE	**2025**
	$'000
Income tax expense per Financial Statements	**9,889**
Movements in temporary differences recognised in deferred tax expense	
Prepayments	1,082
Investment Properties	496
Inventory Properties	(819)
Depreciation - Property, Plant & Equipment	(1,566)
Right of use assets	(12,824)
Lease liabilities	16,704
Unearned income	(137)
Employee benefits	580
Make good provisions	(2,960)
Other provisions	1,952
Accruals	(180)
Adjustment for prior year over provision of tax (deferred tax expense)	(225)
Current income tax expense	**11,992**
Prior year over provision of tax (current tax expense)	339
PAYG Instalments	(18,005)
Income tax payable/(refund) per the financial statements	**(5,674)**
Current year under provision of tax	225
PAYG Instalments	18,005
Franking credits received	-
Income tax paid	**12,556**

Effective Tax Rate

The effective tax rate (ETR) is calculated as income tax expense divided by accounting profit before tax. DHA has no foreign operations and therefore, the Australian ETR is also the global ETR.

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EFFECTIVE TAX RATE	2025
	$'000
Profit/(loss) from continuing operations before income tax expense	33,762
Income tax expense/(benefit)	9,889
Effective income tax rate	**29.29%**

Reconciliation to ATO corporate tax transparency disclosures

Under section 3C of the *Tax Administration Act 1953,* the ATO is required to publicly report certain tax information for corporate tax entities that meet the turnover test for the specific type of entity. This report, known as the *'Corporate Tax Transparency Report',* publishes the total income, taxable income and tax payable of specified entities as reported in their lodged income tax returns. The table below provides a reconciliation between the information disclosed by the ATO and the figures reported above.

Please note that, at the time this report was published, the ATO had not released the 2024-25 Corporate Tax Transparency Report. The table below has been prepared based on information DHA anticipates the ATO will disclose in the report.

Reconciliation to ATO public data disclosures	2025
	$'000
Total income	**887,300**
Total expenses	853,538
Accounting profit/loss before income tax	**33,762**
Permanent non-taxable differences	591
Temporary timing differences	7,502
Plus total differences	**8,093**
Taxable income	**41,855**
Gross tax payable at 30%	12,556
Less franking credits received	-
Income tax paid	**12,556**

Overall, this report demonstrates DHA's commitment to meeting its Australian tax obligations, maintaining a low-risk tax governance framework and providing transparent information about its tax contribution. DHA will continue to review its tax transparency reporting to ensure it remains clear, accurate and aligned with relevant public reporting expectations.