



Taxes Paid Report
2024

Taxes Paid Report 2024



Carolyn Pedic
Chief Financial Officer

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Introduction

It is my pleasure to present this Taxes Paid Report for Viva Energy for the 2024 year. The report is prepared in accordance with the requirements of the Australian Voluntary Tax Transparency Code (TTC) and aims to provide a greater understanding of Viva Energy's tax profile, our total tax contribution, our approach to tax planning and governance, and information about our international related party dealings.

Viva Energy is one of Australia's leading energy companies and supplies approximately a quarter of the country's liquid fuel requirements. With a workforce of more than 15,000 employees, we make a significant annual investment in local wages and services. Our local presence has important flow-on impacts for the broader Australian economy, with the vast majority of our suppliers and contractors being Australian based. Our business also contributes to the economies of a number of regional centres, with 34% of our employees based in regional locations.

Viva Energy makes a significant annual tax contribution to the Australian economy via income tax payments and the taxes we collect in the form of fuel excise and GST. During 2024, Viva Energy's total contribution by way of taxes, duties and excise exceeded \$8.1 billion.

After removal of one-off significant items which impacted our net (loss) before tax during the year, our effective tax rate benefit for income tax purposes was 34.3%. This means we expect to recover tax benefits above the statutory tax rate of 30% on the accounting loss we suffered during the year.

At Viva Energy, we recognise that taxes are central to fiscal policy and macroeconomic stability and a key mechanism by which we can contribute as an organisation to the Australian economy. In that regard, we also recognise the prominent role we play in the Australian tax system, so we work positively, proactively and transparently with the Australian Taxation Office (ATO) consistently with the ATO's Justified Trust methodology.

In recognition of the Company's ongoing transparent relationship with the ATO, the ATO recently confirmed that it continues to have a high level of assurance that the right amount of tax has been paid by Viva Energy. As part of tax governance procedures, Viva Energy continues to procure independent reviews of its tax controls with outcomes and recommendations presented to the ATO to confirm tax control systems operate effectively in practice. Continuation of a high level of assurance is a significant achievement and further strengthens the confidence that the ATO has in our tax compliance approach, along with our ongoing commitment to maintaining an open and transparent relationship with the ATO.

In addition to being transparent with fiscal regulators, we are also transparent to the Australian community about the taxes which we pay. We were an early adopter of Australia's voluntary tax transparency code, filing our first report for the year ended 31 December 2016. We welcome the continued opportunity to present the information in this year's report seeing it as an important tool to assist in increasing the community's understanding of, and confidence in, the tax compliance of large corporate groups.

If you have any questions or feedback on our report, please do not hesitate to contact us via www.vivaenergy.com.au.

Carolyn Pedic
Chief Financial Officer

27 March 2025

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Summary

High level of tax assurance



Tax compliance processes result in the right amount of tax being paid

The ATO recently completed a combined 'light touch'¹ review of Viva Energy's 31 December 2022 and 2023 tax affairs and were able to confirm that they retain an overall high level of assurance that Viva Energy's tax compliance processes result in the right amount of tax being paid and that the Company has an ongoing commitment to maintaining an open and transparent relationship with the ATO.



Significant contribution to Federal and State taxes



Over \$8.1 billion in taxes, duties and excise in 2024 and ~\$32.9 billion over the last five years

Viva Energy makes a significant contribution to Federal and State taxes in Australia. Our total tax contribution by way of taxes, duties and excise during the 2024 year was over \$8.1 billion. Over the last five years, that contribution has been approximately \$32.9 billion.



Effective tax rate closely approximates statutory corporate rate



34.3%

Viva Energy recognised normalised income tax benefit during the year at an effective tax rate benefit of 34.3%. This closely approximates the statutory corporate rate of 30%.

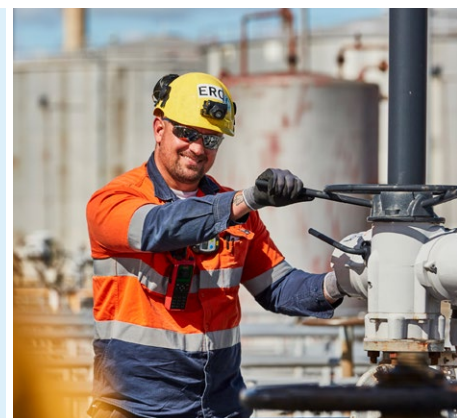


Independent and locally managed business on the ASX



All operations ultimately subject to tax in Australia

Viva Energy is an independent and locally managed business listed on the Australian Securities Exchange and all of its operations are ultimately subject to income tax in Australia. Viva Energy's debt facilities are with a syndicate of unrelated third-party banks and more than 99% of Viva Energy's international dealings involve sales and purchases of crude and refined oil products which are undertaken with an entity that holds a minority ownership interest in Viva Energy.



1. Monitoring and Maintenance review under the ATO's Justified Trust Program.

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1. Tax transparency

Viva Energy Group Limited (Viva Energy or Company) is committed to working positively, proactively and transparently with the ATO to minimise disputes and achieve certainty, wherever possible. As a result of this transparent and constructive relationship, the ATO regularly reviews the tax treatment of transactions entered into by the Company.

During the 2024 year, the ATO combined the Pre-lodgement Compliance Review (PCR) of Viva Energy's 31 December 2022 and 2023 tax years under a Monitoring and Maintenance review as part of a four-year cycle of the ATO's Justified Trust Program. The combined year review was part of a transition period, whereupon the ATO has chosen to partner with Viva Energy to focus on 'real time' reviews going forward, where the intention is for the ATO to consider transactions and events as close to the transaction time as possible. This is a testament to Viva's Energy's robust tax governance framework. As part of their truncated review, the ATO were able to refresh their overall high level of assurance (justified trust) that Viva Energy's tax compliance processes result in the right amount of tax being paid and that the Company has an ongoing

commitment to maintaining an open and transparent relationship with the ATO. During previous years, the Company worked with the ATO to agree a periodic internal tax controls testing program. Recently, Viva Energy provided evidence to the ATO to demonstrate that its tax control framework with respect to Tax Fixed Asset Registers, Research & Development Claims, Withholding Taxes and Changes in tax legislation and accounting standards are all operating effectively in practice. Viva Energy had previously demonstrated to the ATO that its broader income tax control framework is also operating effectively in practice.

Viva Energy also recognises the importance of the wider community having confidence that our largest taxpayers are paying the right amount of tax. Consistent with that, Viva Energy continues to adopt the TTC regarding it as an important tool to increase the community's understanding of, and confidence in, the tax compliance of large corporate groups.

This report has been published on a voluntary basis and has been prepared in accordance with the TTC's disclosure requirements in order to help our stakeholders understand the Company's tax position and general approach in relation to tax.



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2. Approach to tax planning and governance

At Viva Energy, we are committed to the highest ethical standards of corporate practice. The Company is founded on strong values and promotes a culture based on integrity, responsibility, curiosity, commitment, and respect.

Our approach to strong corporate governance underpins the way we conduct business. We expect that our people, including directors and senior executives, behave in line with our Viva Energy values. Our employees receive awareness training on our policies and where it is relevant to their role. This includes the Company's Tax Management Policy.

In delivering on Viva Energy's purpose, we are committed to the highest ethical standards of corporate practice. Viva Energy has a comprehensive governance framework, including corporate governance policies and practices, relevant internal controls and risk management processes designed to promote the responsible management and conduct of the Company.

Our approach to management of tax matters is overseen by the Viva Energy Board. Viva Energy's Tax Management Policy is approved by the Company's Board and sets out the Company's approach to tax planning and governance. Our Board and management team are committed to managing the Company's tax affairs in a way that protects shareholder value by operating in a manner that is ethical, responsible and transparent with all key stakeholders. Key components of the policy are:

As a result of this approach, including in particular our commitment to working proactively and transparently with the ATO, the ATO confirmed that they continue to have an overall high level of assurance that the right amount of tax has been paid by the Company. We continue to engage with the ATO in an open and cooperative manner to seek to reach a resolution for matters as they arise.

As a key taxpayer, Viva Energy retains membership of representative associations and committees that participate in public policy advocacy on tax. We engage in the reform process where relevant and where our contribution will result in the improvement of tax systems, legislation and administration. We support simple, stable and competitive tax rules which support economic growth and long-term sustainable tax contributions.



Compliance

The submission of accurate tax returns, and payment of tax liabilities, in accordance with the tax rules, regulations and accepted practices, within the timeframes set.



Risk management and governance

A clear articulation of how personnel with tax responsibilities, or whose business activities have a tax impact, are to work together to identify, assess, report and manage tax risks.

The escalation of key tax risks to the Board of the Company where appropriate.



Commercial rationale

A requirement that all transactions entered into have a commercial rationale, with tax conclusions the outcome of that commercial reality.



Transparency

A priority to work positively, proactively and transparently with the ATO to minimise disputes and achieve certainty, wherever possible.

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3. Reconciliation of accounting profit to tax (expense)/benefit and income tax payable

The following table reflects income tax (expense)/benefit and income tax payable disclosed in the financial report for the year ended 31 December 2024 for Viva Energy Group Limited and controlled entities.

	\$M
Reconciliation of accounting profit/(loss) to income tax (expense)/benefit	
Accounting profit/(loss) before income tax (expense)/benefit	(106)
Tax (expense)/benefit at the Australian tax rate of 30%	31.8
Tax effect of permanent differences:	
Non-deductible transaction costs (Unfavourable Impact)	(2.8)
One-off tax consolidation adjustments (Unfavourable Impact)	(4.2)
Non-assessable gain on bargain purchase (Favourable Impact)	0.8
Non-refundable carry forward tax offsets (net of R&D Expenses) (Favourable Impact)	0.7
Adjustments relating to prior periods (Favourable Impact)	4.0
Sundry items (Unfavourable Impact)	(0.6)
Income tax (expense)/benefit reported in the statement of profit or loss	29.7
Reconciliation of income tax (expense)/benefit to current income tax (payable)/receivable:	
Income tax (expense)/benefit reported in the statement of profit or loss	29.7
Tax effect of temporary differences:	
Inventories (Unfavourable Impact)	(56.8)
Property, Plant and Equipment (Favourable Impact)	12.8
Finance leased assets and liabilities (Unfavourable Impact)	(29)
Intangibles (Unfavourable Impact)	(2.9)
Net Provisions, accruals, derivatives, financial assets, tax losses, prior period adjustments and sundry items (Net Unfavourable Impact)	(11.5)
Current income tax (expense)/benefit for the year	(57.7)
Net Opening (Tax Payable)/Tax Receivable balance carried forward	48.5
2024 year tax instalments paid during 2024 by the Viva Energy Accounting Consolidated Group	138.1
2024 Tax Paid in Singapore (Treated as a Foreign Income Tax Credit in Australia)	5.9
Transferred in Current Tax Asset Balance from acquired entities during 2024	10.4
(Under)/Over provision in prior years	4.0
Tax Paid on Prior Year Amended Returns	1.4
Tax refund received from the ATO on lodgement of the 31 December 2023 tax return	(58.0)
Current income tax (payable)/Receivable at 31 December 2024	92.6
Reconciliation of income tax (payable)/receivable by jurisdiction	
Receivable from ATO	92.6
Payable to Singapore IRAS	(4.1)

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3.1 Material differences

The most significant tax differences in the reconciliation result from the impact of both permanent and temporary differences.

Permanent differences are items which have differing treatment for tax and accounting purposes.

The most material permanent differences recognised by Viva Energy during the 2024 year were:

- Transaction costs and stamp duty paid during the 2024 year relating to the OTR group acquisition that completed on 28 March 2024, which were expensed in the accounts but have been treated on capital account for tax purposes.
- One off tax consolidation adjustments arising from the acquisition of the OTR Group.
- R&D Accounting Expenditure deemed likely to be claimable as a non-deductible, carry forward tax offset.

Temporary differences are items which are assessable or deductible for both tax and accounting purposes. However, the temporary difference arises at the point in time at which the amounts are assessable or deductible for tax purposes is not aligned with when the sums are recorded as income or expenses for accounting purposes.

During the 2024 year, the most material temporary differences recognised by Viva Energy which affected the tax payable during the year were:

- *Inventories* on hand at year end were recognised at a higher value for tax purposes than accounts purposes. Consistent with the overall \$158.3m deferred tax asset for inventories in the 2024 financial report, the Company's valuation methodology for trading stock continues to reflect materially higher tax payable. The difference between the accounts and tax values of inventory increased during the year given the Company's election to value trading stock at market selling value (rather than cost) and accordingly the impact was a \$56.8m increase in tax payable.
- Higher Capital Allowances (depreciation) deductions on *Property, Plant and Equipment* were recorded for tax purposes during the year than for accounts purposes. As with inventory, the overall \$46.9m deferred tax asset for property, plant and equipment in the 2024 financial report reflects the fact that the existing accounts base of those assets is less than total tax base. During the year, the difference between the lower accounts base and higher tax base reduced and accordingly the impact was a \$12.8m reduction in tax payable.
- Tax deductions available for actual lease payments on *Finance Leased Assets and Liabilities* were lower during the year than the finance cost component of leased payments and amortisation on the right of use asset which was charged to profit or loss. This difference resulted in additional tax payable of \$29m for Viva Energy during the year.

4. Accounting effective company tax rates

The effective company tax rate is calculated as income tax expense/(benefit) divided by accounting profit/(loss) before income tax expense.

All operations of Viva Energy are ultimately subject to tax in Australia, with credits available for a relatively immaterial level of foreign tax which the Company pays. Accordingly, the global effective tax rate and Australian effective tax rate of Viva Energy are the same.

Table 1 – Effective Tax Rate

	\$M
Income tax expense/(benefit) reported in the statement of profit or loss	(29.7)
Accounting profit/(loss) before income tax expense	(106)
Effective tax rate	28.0%

Viva Energy recognised an income tax benefit during the year at an underlying effective tax rate benefit of 28.0%. This means Viva Energy expects to recover tax benefits below the statutory corporate rate of 30% on the operational losses suffered during the year. This is due to the impact during the year of material unusual significant items, primarily being the non-deductibility of transaction and stamp duty costs as well as tax consolidation adjustments associated with the acquisition of the OTR Group entities and business acquisition.

Given this is not typical, we have also set out below a 'normalised' calculation of the effective tax rate if we exclude the impact of the significant items. Their removal provides a better reflection of Viva Energy's sustainable effective tax rate.

Table 2 – Normalised Effective Tax Rate

Normalised Effective Tax Rate	\$M
Income tax expense/(benefit) reported in the statement of profit or loss	(29.7)
Accounting profit/(loss) before income tax expense	(106)
Exclude significant items	19.4
Adjusted accounting profit/(loss) before income tax expense	(86.6)
Normalised effective tax rate	34.3%

The normalised effective tax rate benefit of 34.3% is prima facie slightly higher than the standard 30% corporate tax rate. However, because the income tax is a benefit for FY 2024 due to the accounting loss position, this actually signifies a diminution of the effective tax rate.

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5. Tax contribution summary

Viva Energy makes a significant contribution to Federal and State taxes in Australia. Our total tax contribution by way of taxes, duties and excise during the 2024 year was over \$8.1 billion. Over the last five years, that contribution has been approximately \$32.9 billion. The ATO has categorised Viva Energy as a key taxpayer for the purposes of income tax, excise and GST which illustrates the importance of Viva Energy's contribution to the broader tax system.

The following table details the total tax contribution by way of cash paid during the 31 December 2024 year. A summary of key movements compared with prior years is:

- During the year, the Company paid net \$87.4M in income tax reflecting payments associated with the taxable income result for the 31 December 2023 and 31 December 2024 tax years.
- Fuel excise marginally increased from the prior year, due to a combination of both higher excise rates due to indexation of those rates in line with CPI during the 2024 year and minor volume increases.
- GST marginally decreased from the prior year due to the Company receiving higher input tax credits (offsetting GST payable) during 2024 compared to 2023 as a result of increased acquisitions from suppliers due to the large capital projects undertaken by the Company, with respect to the Ultra-Low Sulphur Gasoline Project, the Strategic Storage Facility and New Energies Service Station projects.
- Payroll tax and PAYG withholding were both materially higher due to the significant increase in the employee base resulting from the various acquisitions by the Company during the year including, in particular, the acquisition of the OTR Group which completed on 28 March 2024.

Total tax contribution	\$M
Income Tax	87.4
Land tax	31.2
Payroll tax	49.9
Fringe benefits tax	1.3
Government imposts commercially recovered through direct pricing on-charge:	
Fuel excise	5,926.2
Customs duties	14.9
Government imposts retained from others as required by law:	
GST	1,827.5
PAYG withholding	188.3
Total tax contribution	8,126.7

It is acknowledged that the burden on the Company from the taxes listed above differs between taxes directly imposed on the Company for which there is no direct commercial recovery, and taxes such as excise and GST which reflect funds directly recovered by the Company. However, the Company does bear certain costs for managing the collection of those taxes.

As a company that manufactures and stores fuel products, Viva Energy is required by law to hold various excise licences. As a licence holder, Viva Energy has an obligation to lodge an excise return and pay excise duty on a weekly basis after delivery of fuel products into the Australian domestic market. At the end of 2024, excise rates on the most commonly consumed grades of petrol and diesel were set at 50.6 cents per litre, with those rates (other than aviation fuels) indexed twice a year.

Excise taxes are passed on to consumers through the prices charged to them. However, given excise taxes are paid weekly, this can create a working capital cost for the Company due to differences in the timing of excise payment remissions and when the Company collects payment from its customers.



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6. International related party dealings

Viva Energy is an independent and locally managed business listed on the Australian Securities Exchange and all of its operations are subject to income tax in Australia. Viva Energy purchases and sells oil products, along with associated services with an entity that holds a minority ownership interest in Viva Energy. In addition to equity from its investors, Viva Energy holds debt facilities with a consortium of unrelated third-party banks to manage its working capital requirements as well as to partly fund the recent OTR Group acquisition. There are no debt funding arrangements in place between Viva Energy and related parties.

Nature of related party transactions

99.8%

Purchase of crude and refined products, and sale of refined products

0.2%

Procurement services and freight related cost

During the year, Viva Energy engaged in the following transactions with an international party in Singapore that holds a minority ownership interest in it:

- The purchase of crude and oil products and the sale of oil products, along with associated procurement services.
- Freight-related costs associated with the transportation of crude and oil products.

Almost all of the above transactions (over 99%) involved purchases of crude for our Geelong Refinery and purchases and sales of refined oil products imported around the country through our national terminal network.

Due to insufficient local supply of both crude and refined products, local Australian demand is met by a combination of Australian crude and refined products together with imported crude and refined products. Supply of imported products is often via Singapore, which is the region's main trading and refining hub. The involvement of the Singaporean entity is not for the marketing of Australian-sourced product.

Trading in oil commodities is one of the most actively traded markets internationally with the effect that there is a deep and standard pricing methodology for commodity transactions in the open market. Price is usually based on a marker as adjusted by a premium or discount, both of which are independently assessed by agencies such as Platts or Argus.

These transactions are undertaken with an entity that holds a minority ownership interest in Viva Energy and who itself is purchasing products from non-related third parties. Therefore, such transactions take place on arm's length commercial terms.

7. Organisation for Economic Co-operation and Development (OECD) Pillar Two Model Rules

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which Viva Energy operates. The legislation will be effective for Viva Energy's financial year beginning 1 January 2024. Viva Energy is within the scope of the OECD Pillar Two model rules and has relied upon the Transitional Country-by-Country Reporting (CbCR) Safe Harbour exemptions from detailed effective tax rate and top-up-tax computations for each jurisdiction, under which the jurisdictional top-up tax is deemed to be zero. Viva Energy's assessment of its eligibility to the Transitional CbCR Safe Harbour exemptions is based on the current year 2024 financial results and information as at the reporting date.

Even without reliance on the Transitional CbCR Safe Harbour exemptions, there is a low risk that the maximum tax threshold of 15% effective tax rate for Pillar Two will be breached based on high level risk assessments undertaken by Viva Energy.

8. Basis for preparation of report

The disclosures in this report are taken from the disclosures in the audited financial report for the 31 December 2024 year.

Viva Energy's income tax return for the 31 December 2024 year will be completed and filed after the publication of this Taxes Paid Report. Accordingly, the tax positions disclosed in this report reflect current estimates of tax payable. Actual tax payable may vary from the estimates in the financial report due to further clarifications in the course of preparation of the tax return.

The ATO produces a report of entity tax information annually. The information in the ATO report is taken from tax returns and includes tax payable by the entity. The next ATO report is expected to be produced in late 2025 and will include tax payable by Viva Energy for the 31 December 2023 year.

The actual tax paid by Viva Energy in respect of the 2023 financial year will be disclosed as tax paid by Viva Energy Group Limited equal to \$17.9 million. This compares to the estimated income tax payable of \$17.5 million disclosed in the 2023 Taxes Paid Report.

The main driver for the difference was typical adjustments when finalising the tax return including true up of some additional minor non-deductible costs and finalisation of Viva Energy's Research & Development claim.

