



*Australia*

**Penske Transportation Group International Pty Ltd (the Company)  
Tax Transparency Report  
for the year ended 31 Dec 2022**

The voluntary disclosures in this report, continues our commitment to transparent tax disclosure as recommended by the Board of Taxation's Voluntary Tax Transparency Code (TTC). The TTC was developed by the Board of Taxation and endorsed by the Government in May 2016. The TTC provides minimum standards to guide medium and large businesses on public disclosure of tax information.

**The Company's Tax Risk Framework**

The taxation affairs of the Company are managed in accordance with the Company's Taxation Policy. Forming part of the Company's tax governance framework, the Company's Taxation Policy defines the Company's tax risk appetite, the way the Company identifies and manages tax risk, and the nature of the relationships we seek to foster with revenue authorities.

Tax risk framework forms an important element of the Company's overall risk management regime.

As part of the Company's overarching risk management regime, the Company also conducts a rigorous annual Control Self-Assessment program across financial and tax controls.

Pursuant to the ATO's Justified Trust Program, the Company is part of the "Top 1000" Tax Performance Program, covering GST and Income Tax.

The Company remains committed to continuing to work with the ATO in respect of its obligations under the "Top 1000" Tax Performance Program, or as otherwise directed by the ATO under this program.

**Achieving Transparency**

This Tax Transparency Report aims to provide our shareholder, stakeholders and the public with tax information complimenting that published in the 2022 Annual Report submitted to ASIC. The Company is as a significant global entity and is subject to tax in the same way as any other large corporate taxpayer.

In preparing the disclosures for this TTC report, the Company have followed the guidelines recommended by the Board of Taxation for large and medium taxpayers.

**Taxation Policy**

In pursuing its corporate strategy, the Company abides by its Taxation Policy to ensure full and transparent compliance with all taxation obligations.

The Company's Taxation Policy operates as part of the wider Board-approved Risk Management Framework. The Taxation Policy defines the following key guiding principles with respect to the Company's tax risk management approach.

**Risk Appetite**

The Company approaches its tax compliance obligations seriously and has No Appetite for practices or behaviors that could foreseeably lead to unnecessary tax risk and material non-compliance and/or result in significant litigation, fines, prosecutions, or future intervention from regulators.

### **Tax Goal**

To pay the correct amount of tax and to achieve an appropriate balance between maintaining the Company's tax risk appetite and maximising the value sought for stakeholders, while staying within both the letter and the spirit of the applicable law.

### **Tax Principles**

The guiding principles upon which the Company's tax risk governance framework is based are:

- All applicable laws and regulations relating to taxation must be adhered to;
- All personnel must comply with the Company's Group Taxation Policy, Penske Australia, and New Zealand Code of Ethical Conduct, and all other policies;
- The Company aims to always develop and maintain an excellent working relationship with the relevant revenue authorities, as well as be transparent in providing full and accurate disclosure to the revenue authorities; and
- The Company will always strive to achieve open and effective communication relating to tax matters with the relevant internal and external stakeholders in a timely manner.

### **Tax Risk Management and Identification**

Tax risks are identified, managed, and monitored in line with the Company's tax risk governance framework. This includes reporting of tax risks to the Audit and the Compliance Risk Review Board (CRRB) as required. Ongoing oversight of material tax risks and key controls are coordinated through the Company's Internal Audit, and the CRRB as the governing body.

### **Risk Reporting and Communications**

The tax affairs of the Company, including operational tax risks and tax risk associated with significant transactions, are communicated through regular updates to the Company's CRRB and the Senior Management.

## Tax Disclosures

The following disclosures are consistent with those recommended for a “large” taxpayer by the Board of Taxation.

<b>Effective Tax Rate</b>		
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit (loss) before Income tax</b>	<b>47,556</b>	<b>36,173</b>
Income Tax benefit (expense)	(13,390)	(13,204)
<b>Effective Tax Rate</b>	<b>28.16%</b>	<b>36.50%</b>
<b>Reconciliation of Accounting profit to Taxable income/(loss)</b>		
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit (loss) before income tax</b>	<b>47,556</b>	<b>36,173</b>
Temporary and other differences	(2,514)	8,691
<b>Taxable income (loss)</b>	<b>45,042</b>	<b>44,864</b>
<b>Tax at the Australian tax rate of 30%</b>	<b>(13,513)</b>	<b>(13,459)</b>
Foreign income tax offset	27	16
Research and development tax offset	95	239
<b>Income tax benefit/(expense)</b>	<b>(13,390)</b>	<b>(13,204)</b>
<b>Taxes Paid</b>		
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>On own behalf</b>		
Company income tax	13,390	13,204
Payroll tax	6,574	5,623
Fringe benefit tax	408	423
Land Tax	426	299
Stamp duty	-	19
<b>Sub-Total</b>	<b>20,798</b>	<b>19,567</b>
<b>On behalf of others</b>		
GST	45,963	53,378
PAYGW	31,935	29,055
<b>Sub-Total</b>	<b>77,899</b>	<b>82,433</b>
<b>Total</b>	<b>98,696</b>	<b>102,000</b>

- Company Income tax – based on the tax paid to the relevant tax authorities (less any offset).
- Payroll tax –paid on the company’s employment costs.
- Fringe benefits tax –paid on benefits provided to staff.
- Land tax – tax paid on the ownership of land.
- Stamp duty – tax paid on purchase of real property.
- GST – net GST collected by the Company (GST collected on sales and GST on imports less GST paid on business inputs)
- PAYGW – employee income tax remitted to the relevant tax authority.