



# Tax Transparency Report 2024



**Nine Entertainment Co.**

ABN 60 122 203 892

[nineentertainment.com.au](http://nineentertainment.com.au)

# A Note from the Chief Financial Officer

*Nine has been part of Australia's social fabric since 1956, when we introduced television to the nation.*

We continue to build on that rich history through our innovative world-class broadcast, publishing, streaming and digital media platforms. At our core remains a commitment to offer the best content to all Australians, with our portfolio of unrivalled assets delivering that content to audiences when and how they want it.

During the 2024 financial year, Nine navigated challenging economic and advertising market conditions. Despite this, Nine continued to perform strongly across its integrated audience platforms, demonstrating the value of the company's diversified businesses. We have continued to progress our digital strategy, driven by growth in audiences and financial performance in 9Now, Stan and digital subscriptions in our metro mastheads. Total TV audiences have grown across the year and we are well positioned for success once the economic conditions improve.

Nine understands that as a media company, it has a role to play in supporting the community and upholding high standards in relation to its content. As detailed in Nine's Corporate Governance Statement for the year to 30 June 2024, Nine undertakes a number of activities to engender trust and confidence in the business. This is necessary for Nine's continued social licence to operate. The Nine Board's adoption of the principles of the Board of Taxation's Tax Transparency Code, and the disclosures made in this report form part of Nine's commitment to the communities in which it operates.

In the following pages, you will find an overview of Nine's tax strategy, governance and tax contributions made to the Australian State and Commonwealth governments for the financial year ended 30 June 2024. In preparing this report, Nine has followed the recommendations of the Board of Taxation's Tax Transparency Code. Nine welcomes the opportunity to provide details of its tax contributions to the community.

## **Graeme Cassells**

Chief Financial Officer (Acting)

# Tax Transparency Report 2024

## Tax policy, strategy, and governance

Nine has a robust corporate governance and risk management framework that governs the operations of the business. Tax governance forms an important part of this framework. Nine's tax governance framework outlines the policies, procedures and practices that Nine employs to ensure it complies with all tax laws and regulations, while managing its tax affairs in a responsible and ethical manner. Nine has developed a clear and well defined tax policy that outlines its approach to taxation. The policy has been endorsed by the Board and is regularly reviewed in order to continuously meet any changing tax obligations and mitigate any emerging risks so that Nine's positive reputation is maintained.

Pursuant to this policy, Nine has implemented processes to ensure timely and accurate tax compliance, including the preparation of returns, meeting of payment deadlines and maintenance of proper records to substantiate tax positions taken.

The Nine Board operates Committees that oversee key business risks including the Audit & Risk Management Committee (**ARC**) which oversees risk management and internal controls in relation to all risks across Nine, including tax. The tax policy documents the appropriate internal controls in relation to the identification and management of tax risk and outlines a framework for escalation of tax matters to the Nine Board as necessary. Material risks are reviewed as appropriate by management, external tax advisors, external auditors and the ARC.

Nine's tax strategy is to adopt low risk tax positions that comply with tax law and have a sound commercial basis. Nine seeks to comply with all tax laws that apply to the business, pay the correct amount of tax, not partake in any form of tax avoidance or fraud, and to engage with regulators and revenue authorities in an ethical and transparent manner.

## Engagement with revenue authorities

Nine focuses on maintaining a strong and open relationship with the ATO and other relevant revenue authorities and regulators including the New Zealand Inland Revenue, in all jurisdictions in which Nine operates. In addition, Nine seeks to engage proactively and transparently with all relevant regulators and tax authorities on significant transactions.

Nine's aim is to continue to maintain and build on its positive and transparent working relationship with all revenue authorities to enable an efficient and collaborative hearing of tax issues that apply to the business.

Nine engages in ongoing dialogue with the ATO regarding its assurance and review processes, in particular through the ATO's Top 1000 Justified Trust Combined Assurance Review (**CAR**) programme, which seeks to provide assurance to the ATO that the correct amount of income tax and GST has been paid by large taxpayers. As a Top 1,000 taxpayer, Nine has recently concluded a CAR with the ATO of the income tax and GST affairs of Nine for the 2019 to 2022 financial years. Nine received a high assurance rating with respect to both its income tax and GST affairs as part of the ATO's review.

## Reconciliation of accounting profit to income tax expense

The reconciliation of accounting profit to tax expense contained in this Report was previously published in Note 5.1 to the Financial Statements contained in Nine's Annual Report for 2024. The disclosure was prepared for the statutory accounts in accordance with the relevant Australian Accounting Standards.

Income tax expense, reported on a company's income statement, is calculated by multiplying accounting profit for the year, adjusted for non-temporary differences, by the relevant corporate tax rate (30% in Australia).

## Taxation

### Income tax expense

	30 June 2024 \$'000	30 June 2023 \$'000
Current tax expense	67,795	98,998
Deferred tax (benefit)/expense relating to the origination and reversal of temporary differences	(2,687)	(18,437)
<b>Income tax expense</b>	<b>65,108</b>	<b>80,561</b>
<i>Reconciliation of tax expense to prima facie tax payable:</i>		
<b>Profit before income tax</b>	<b>200,008</b>	<b>275,104</b>
Prima facie income tax expense/(benefit) at the Australian rate of 30%	60,002	82,531
<i>Tax effect of:</i>		
Share of associates' net loss/(profit)	518	(70)
Impairments, write down of investments and revaluation of derivative financial instruments	6,066	1,792
Adjustments in respect of current income tax of previous years	800	(1,189)
Research and development tax offset	(3,427)	(2,849)
Other items – net	1,149	346
<b>Income tax expense</b>	<b>65,108</b>	<b>80,561</b>

## Reconciliation of income tax expense to income tax paid and current year income tax payable

The following table shows a reconciliation of income tax expense per the statutory accounts to total income tax paid and current year income tax payable during FY2024.

The total corporate income tax paid of \$51.275m is net of any tax refunds received during the year, includes tax paid in respect of the prior year and includes taxes paid by controlled entities in Australia and New Zealand. This reconciles to the net income taxes paid as disclosed in the Consolidated Statement of Cash Flows in the Nine 2024 Annual Report (refer page 94).

### Reconciliation from income tax expense to current year income tax payable/(receivable)

	30 June 2024 \$'000	30 June 2023 \$'000
Income tax expense (continuing operations)	65,108	80,561
Differences between tax and accounting recognition	2,687	18,437
Tax payable/(receivable) in respect of prior years	(2,053)	44,621
Income taxes paid in current year	(51,275)	(145,671)
<b>Current income tax payable/(receivable)</b>	<b>14,466</b>	<b>(2,052)</b>

## Effective company tax rates for Australian and global operations

Nine reported a net profit for statutory accounts purposes and an income tax expense for the year ended 30 June 2024.

Effective Tax Rate (ETR) is usually calculated as income tax expense divided by accounting profit before tax. Using this ETR calculation methodology, Nine's ETR is 32.6% as shown below.

### Effective Tax Rate

	30 June 2024 \$'000	30 June 2023 \$'000
Income Tax Expense	\$65,108	\$80,561
Net Profit Before Tax	\$200,008	\$275,104
Effective Tax Rate	32.6%	29.3%

Nine's ETR for the 2024 financial year was greater than the statutory rate of 30% due to non-cash accounting adjustments such as impairment of investments that are included in the accounting profit figure but are not deductible for tax purposes.

Nine's ETR for the 2023 financial year was less than the statutory rate of 30% primarily due to tax offsets available as a result of the Research and Development (R&D) tax incentive. Under the R&D incentive program, Nine receives a tax offset for expenditure on eligible R&D activities. Nine has not yet submitted its R&D tax incentive claim for the 2024 financial year.

## Tax Contribution Summary

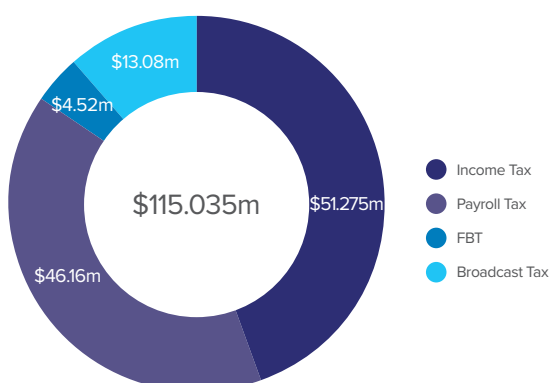
The following tables and diagrams set out the types of taxes paid and collected by Nine and its subsidiaries (including controlled non-wholly owned subsidiaries) to and/or collected on behalf of Australian Federal, State and local governments in the 2024 financial year.

### Taxes paid by Nine Group and Controlled non-wholly owned subsidiaries

Nine and its controlled entities are subject to both Federal and State Government taxes. These taxes include income tax, fringe benefits tax (FBT), payroll tax and commercial broadcasting tax.

The Group's largest tax contribution on a gross basis was income tax of \$51.275m. This represents 44.58% of all taxes paid by the Nine Group in the 2024 income year.

### Taxes paid by Nine Group controlled subs

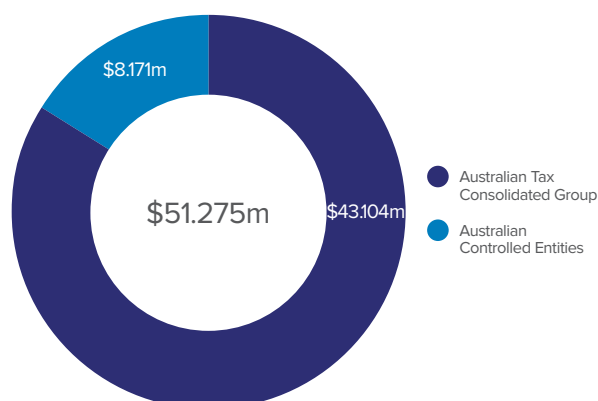


## Income Tax paid by Nine Group

The following graph shows Nine's income tax contribution in Australia and in New Zealand on a cash basis, analysed between the Australian Tax Consolidated Group and other entities within the Group.

The total corporate income tax paid of \$51.275m is net of any tax refunds received during the year and includes taxes paid by controlled entities in Australia and New Zealand. This total reconciles to the net income tax paid of \$51.275m disclosed in the Consolidated Statement of Cash Flows in the Financial Statements contained in Nine's 2024 Annual Report (refer page 94) and referred to earlier in this report.

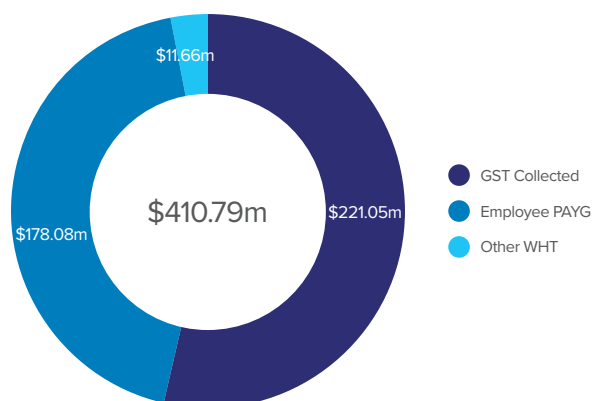
### Income Tax paid by Nine Group



## Taxes Collected by Nine

In FY2024, Nine and its 100% owned subsidiaries collected and paid \$410.79m in taxes including Goods and Services Tax (GST), Pay As You Go Withholding (PAYGW) and Interest and Royalty Withholding Taxes (WHT).

### Tax Collected by Nine



## International Related Party Dealings

The large majority of the Nine group's operations are undertaken within Australia. Nine has relatively small foreign operations in the United States (the US) and New Zealand with minor transactions occurring between these entities and Nine's Australian entities.

For the 2024 income year, the aggregate value of Nine's international related party dealings with its foreign subsidiaries amounted to 0.52% of the Group's total revenue.

Nine's minor international related party dealings reflect arm's length pricing in accordance with transfer pricing requirements in Australia, New Zealand, and the US and are consistent with the OECD guidelines.

### Mi9 New Zealand

Mi9 NZ offers digital advertising solutions to New Zealand clients using data from Microsoft accounts and Experian Mosaic to provide advertisers targeted and high return on investment campaigns in a high quality and brand safe environment. Mi9 NZ offers multiple purchasing methods including directly via insertion order or programmatically via its AppNexus and Magnite supply-side platforms.

Nine Group Australia provides Mi9 NZ with shareholder funding for which it charges an arm's length rate of interest.

### Channel 9 Australia Inc.

In the US, Channel 9 Australia Inc. carries on television services in the United States by arrangement of studio hire, transport, satellite facilities, video recording services, programming consultancy services and creating oral and graphic messages by means of television broadcasting. Channel 9 Australia Inc provides content to Nine Group at cost plus an arm's length mark up.

## Australian Tax Return Information Published by the ATO

In November 2024, the ATO will report Australian tax information for Nine and a number of other large companies relating to the 2023 financial year.

The information reported for Nine is taken from the income tax return for the 2023 financial year lodged by Nine Entertainment Co. Holdings Limited as head entity of the Nine Tax Consolidated Group, using records held by the ATO on 12 September 2024 and is shown in the table below:

### Income tax

<b>Name</b>	Nine Entertainment Co. Holdings Limited	
<b>ABN</b>	60 122 203 892	
<b>Total income</b>	\$3,311,084,312	(Note 1)
<b>Taxable income</b>	\$341,561,272	(Note 2)
<b>Tax Payable</b>	\$88,601,857	(Note 3)

### Notes:

1. Total Income as reported by the ATO represents gross income for accounting purposes, that is, income before any expenses are taken into account. The total income figure is similar to gross accounting revenue, not profit. The total income figure is not an indicator of the real economic or taxable profits of Nine. Total income is the gross income earned by the Nine Tax Consolidated Group, before deductions/expenses are applied. This differs from the Group's total revenue in the Financial Statements because it does not include income earned by the Group's offshore operations and non-wholly owned subsidiaries, but it does include income earned from transactions with these offshore branches and subsidiaries.
2. Taxable Income for the Nine Tax Consolidated Group is assessable income from all sources less allowable deductions incurred in earning that income.
3. Tax Payable is determined by multiplying taxable income by the 30% corporate tax rate and deducting tax offsets such as the research and development (R&D) incentive and franking credits.

The Nine TCG's taxable income for 2023 of \$341,561,272 multiplied by 30% is \$102,468,382. Actual tax payable by Nine for the year ended 30 June 2023 was \$88,601,857. The difference of \$13,866,525 is comprised of franking credits totalling \$9,754,312, foreign tax credits of \$425,157 and the Research & Development tax offset of \$3,687,056. Nine is entitled to a tax offset for franking credits attached to dividends received by Nine from investments in other Australian taxpaying companies and for taxes paid in other jurisdictions on Australian revenue. The franking credits reflect tax already paid on profits distributed to Nine by way of franked dividends, and prevents double taxation.