Goods and Services Tax (GST) Guidelines

December, 2014

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1 Executive Summary

This guideline provides information for the University on Goods and Services Tax (GST).

The Goods & Services Tax (GST) is a broad based consumption tax of 10% on the supply of most goods and services in Australia and on goods imported into Australia.

GST is charged on the supply of most goods and services that are considered to be taxable supplies. There are other types of supplies where GST does not have to be charged. These are called GST-free supplies and input taxed supplies.

The University remits to the Australian Taxation Office GST it charges and receives on revenue and claims tax credits for GST paid on invoices and other expenditure.

For further information, contact the Manager Taxation Services.

Email: Carol.Connors@utas.edu.au

2 Expenditure and GST

2.1 External Expenditure

The University pays GST of 10% on the purchases of most goods and services from external organisations.

2.2 GST Exceptions

Some expenditure categories are not subject to GST. These include but are not limited to:

- certain medical expenses
- most basic food
- residential accommodation
- purchases from unregistered businesses
- government appropriations

Some small businesses are not required to register with the ATO for GST and as a result are not required to charge GST. These businesses are not able to claim back any GST that they may have paid on their purchases.

2.3 GST Not Claimable

There will be some circumstances where the University is not able to claim a refund of GST paid. In these circumstances, the Budget Centre will be charged with the full amount of an invoice including GST. Instances where the University will not be able to claim a GST refund are as follows:

- Entertainment Expenditure where the University does not pay Fringe Benefits Tax (FBT) i.e. Client Entertainment.
- A compliant tax invoice is not provided.
2.4 **Import of Goods**

GST will apply to most goods imported into Australia. The criteria for GST are whether the goods are subject to GST, and whether an Australian supplier provided them.

Instead of paying an amount for GST to the supplier of the goods, as is the case with purchases from Australian suppliers, GST on imports will be paid to Customs, usually through the intermediary of the freight company.

3 **General Revenue and GST**

3.1 **External Revenue and GST**

The supply of most miscellaneous goods and services provided by The University are subject to GST. This includes continuing professional development programs/courses and other short courses that are predominantly fee paying (‘Non-Award Courses’). There is further commentary on these Non-Award courses below, under Student Charges and GST.

Each Budget Centre needs to consider all charges for the supply of goods and services and determine if they are subject to GST.

Note that the liability to pay GST rests with the University as the supplier of the goods or services. In other words, even if GST has not been included in the price, it still has to be paid to the Australian Taxation Office if the transaction is subject to GST.

3.2 **GST Guide for Revenue**

Refer to Appendix A for information regarding GST and specific revenue categories.

This document lists most of the goods and services provided by the University and gives advice on whether GST needs to be charged. This document will be periodically updated to include other goods and services that are identified.

3.3 **Research**

Whether research funds are subject to GST generally depends on whether or not the funds are a government appropriation. Research funds received by the University will generally fall into the following categories.

3.3.1 **Funds received by government appropriation**

These research funds are not subject to GST, as payments between government related entities that are specifically covered by an appropriation under Australian law, are not considered to be payments for the supply of goods or services. Refer to Appendix B for additional information.

3.3.2 **Other research funds**

Generally, all other research funds received by the University will be subject to GST where there is deemed to be a taxable supply. This means that the University is required to remit 1/11th of the research funds received to the Australian Taxation Office for GST. In most cases the funding bodies should be adjusting the amount of the research grants to take GST into account.
3.3.3 Other research funds

Exceptions to GST on research funds includes GST-Free grant payments, generally these would those where there is not a taxable supply and the only conditions include milestone or acquittal reporting.

3.3.4 Consultancy

Generally all consultancy funds are subject to GST (with some limited exceptions for exports).

This means that the University is required to remit 1/11th of the funds received to the Australian Taxation Office for GST. Therefore, consultants will need to take account of GST in determining charges for consultancy services.

Staff should also note the University policy regarding Consulting Activities, which can be found in the policy repository.

4 Donations, Gifts and Endowments

4.1 GST Treatment of Donation/Gift

The University of Tasmania and the University Foundation receive a range of donations, endowments and gifts (hereafter referred to as ‘donations’) from a variety of sources. A Donation is not subject to GST provided it is a ‘gift’.

4.2 Definition of Donation/Gift

A ‘gift’ has the following characteristics:

• it is made voluntarily;
• it does not provide a material benefit to the donor; and
• it essentially arises from benefaction, and results from detached and disinterested generosity.

4.3 Examples of Donations/Gifts

Refer to Appendix C for some of the more common examples of a situation involving a gift or donation and when GST is applicable.

5 Exports

Goods and services exported from Australia are generally GST-free; however, this is a difficult and complicated area. Taxation Services should be contacted to assist in determining whether or not GST will apply to exports.

Generally, GST-free exports comprise:

• goods physically exported from Australia, and
• services performed outside Australia for a non-resident.

There are different rules that apply to the export of goods and the export of other things such as services. The general principles applying to each type of export are set out below.
5.1 Export of Goods

Generally, goods exported will be GST-free if they are exported before or within 60 days of:

- the date any payment is made for the goods, or
- if earlier, the date on which the supplier provides an invoice, or
- if the goods are paid for in instalments:
  - the date on which the final instalment is paid, or
  - if earlier, the date on which the supplier provides an invoice for the final instalment.

Exported goods are not GST-free if the supplier re-imports the goods into Australia.

5.2 Export of Services

Exported services could include education courses, research and consultancy activities. The key requirement for an export of services to be GST-free is that it must be provided to someone who is not in Australia at the time, and it must be consumed outside Australia.

These requirements can become quite complex. As a result, it is recommended that assistance be sought from Taxation Services in relation to the GST treatment for any exports of services.

6 Student Charges

6.1 Supply of Award Education Courses - GST-free

Supplies of higher education courses are GST-free if the provider and the course are covered by the Education Minister’s Determination under the Student Assistance Act 1973 ‘Award Courses’ or if the education course has been specifically defined by the GST legislation to be GST-free.

The University does not have to charge GST on the supply of these education courses as listed below:

- Tertiary education courses (such as bachelor and graduate degrees, post graduate diplomas and Masters qualifying courses)
- English language courses for overseas students (e.g. ELICOS)
- Masters and Doctoral courses

There are also a limited range of administrative services and course costs related to these GST-free education courses, which are also GST free.

Please refer to Appendix A for further information.

6.2 ‘Non-Award’ Courses

‘Non-Award’ Courses include continuing professional development programs/courses and other short courses that are predominantly fee paying (for example, the Company Directors Course run by Commerce and Law). These courses will generally be subject to GST.
This means that the University is required to remit 1/11th of the revenue received to the Australian Taxation Office for GST. Therefore, Budget Centres will need to take account of GST in determining charges for Non-Award Courses.

Please refer to Appendix A for further information.

6.3 Copying and Printing System (CAPS) and GST

Copying and printing for students are subject to GST. Copying and printing costs (incl. GST) will be deducted from CAPS accounts at the same time copying or printing occurs.

6.4 Course Materials

6.4.1 Definition of Course Materials for GST

Course materials are GST-free provided the following criteria are met:

- The materials are for a subject in a GST-free education course (this includes Award Courses);
- The materials must be provided (sold) by the University;
- The materials must be transformed or consumed as part of the course; and
- Printed materials must not be a book or have an ISBN. Course materials do NOT include textbooks, which are subject to GST.

Course materials may include:

- Readers
- Course Notes
- Lecture Notes
- Study Manuals
- Art materials used as part of a Fine Arts degree; and
- Chemicals used as part of a Science degree.

Course materials must be transformed or consumed as part of a course. In order to demonstrate that this requirement has been satisfied for printed material, it may be appropriate to include spaces for students to annotate the material or to complete exercises within the material.

6.4.2 Agency arrangement with bookshops

Where an independent bookshop (i.e. not owned by the University) acts as agent on behalf of the University, the bookshop may sell lecture notes and other materials that are course materials (as defined in the GST Act) GST-free, provided the bookshop can:

- identify the student; and
- the lecture notes and materials are listed on a booklist as being required by the student to undertake his/her course.

Where the bookshop purchases and takes ‘title’ of the lecture notes from the University and then on-sells the lecture notes to students, or purchases other materials that may be defined as course materials from third parties and sells those items to students, the bookshop is not acting as an ‘agent’ for the University. The bookshop is ‘providing’ the lecture notes, and materials and sales of these materials (including lecture notes) to students will be subject to GST.
6.5 Field Trips and Excursions

6.5.1 GST-free education courses

Charges for field trips and excursions which are directly related to the curriculum of a GST-free education course are GST-free, except for any component of the charge attributable to accommodation and/or food.

Any component of a charge attributable to accommodation or food is subject to GST. This means that 1/11th of the accommodation or food component will be paid to the Australian Taxation Office for GST. Therefore Budget Centres will need to:

- separately identify the amount of the charge which is for accommodation or food; and
- take account of GST in determining charges for field trips and excursions.

6.5.2 For any other course

The total charge for any other field trip or excursion will be subject to GST.

This means that the University is required to remit 1/11th of the total charge to the Australian Taxation Office for GST. Therefore Budget Centres will need to take account of GST in determining charges for field trips and excursions.

6.6 Student Deposits

The University has a number of Budget Centres that require students to pay a deposit as surety against breakage or loss of equipment during semester. The deposit is normally a percentage of the value of the items. These monies are held for the duration of the unit and refunded to the student, less the cost of any breakage or loss upon completion of the unit.

These deposits are not subject to GST as they are not consideration for the supply of goods or services and must be credited to a suspense account for the Budget Centre. All refunds to students must be debited to the same suspense account.

If part or all of a deposit is forfeited by a student (and therefore retained by the University) to cover the cost of breakage or loss, GST will be payable on the amount of the deposit retained. Therefore, GST will need to be added to the cost of breakage or loss in calculating the amount to be refunded to the student.

7 Tax Invoice Documentation

7.1 Documentation Requirements

The University must have a tax invoice in the prescribed format to claim a refund of the GST paid. The only exception will be where the GST-inclusive price is $82.50 or less. However, some documentary evidence will be required to support the claims for these GST credits.

Please note that credit card slips and statements do not meet the requirements for a tax invoice. When a University business (credit) card is used a tax invoice must be requested from the supplier.
If a Budget Centre does not obtain a tax invoice, a refund of GST will not be able to be claimed and the Budget Centre will be charged with the additional cost.

7.2 **Tax Invoices**

A tax invoice is a document required by the University to claim back the GST component of purchases. A tax invoice can be any document that complies with the minimum requirements prescribed in the GST legislation and regulations.

Specific details of tax invoice requirements are available under the guidelines for purchasing, revenue and cashiering.

The Tax Invoice requirements apply to circumstances both where the University issues Tax Invoices and is the supplier of goods and services.

7.3 **Recipient Created Tax Invoices**

From time to time, staff members and responsibility centres may be approached by external organisations for which the University performs a service, to obtain the University’s consent for the external party to raise a Recipient Created Tax Invoice. This document is effectively an invoice which acknowledges the supply being made by the University and acts as a notice to the other party to remit the agreed fee for service.

Advice should be sought from the Manager Taxation Services to ensure that the circumstances are appropriate for Recipient Created Tax Invoices.

8 **Australian Business Number (ABN)**

8.1 **ABN Definition**

The Australian Business Number (ABN) is a single business identifier that allows businesses to deal with the whole of government at one place and with one identifier. It operates in conjunction with the Australian Business Register.

An entity required to register for GST purposes must have an ABN. The ABN is also relevant for a range of other dealings with the Australian Taxation Office, including Business Activity Statements and the PAYG system.

The ABN must be quoted when asked for by customers or other business contacts. This ABN is also to be included on all forms and documentation with external entities.

8.2 **University of Tasmania ABN and Revenue Collection**

The ABN for the University of Tasmania is 30 764 374 782. The University Foundation also has its own separate ABN, however, is grouped with the University for BAS purposes.

The University must cite the ABN on all revenue invoices and statements.

Refer to Invoicing and Receivables Back Office Guidelines for details on implementation of ABNs in revenue.

Financial Services is responsible for registering any new University entities for an ABN for those entities which it is intended to be managed internally.
8.3 Australian Business Number for Suppliers

Under the PAYG system, if a business supplies goods or services to the University and does not quote an ABN on its invoice, the University is required to withhold tax from the payment to the supplier.

This imposes significant administrative requirements on the University should it engage suppliers who do not have an ABN. Accordingly, it is University policy that only suppliers with an ABN will be engaged unless the supplier fits within one of the following exceptions:

- the supplier is not carrying on an enterprise in Australia;
- that the supply of goods or services is made in the course of an activity done as a private recreational pursuit or hobby, or is wholly of a private or domestic nature; or
- the payment is not for the provision of goods or services (i.e. there is no supply).

In these circumstances it is required that the supplier complete an No ABN declaration available from the Financial Services website.

Refer to General Purchasing Guidelines for further details.

8.4 ABN Searches

The ABR Public Search can be used to search for an ABN number for a business or verify GST registration.

9 Contracts and GST

9.1 Contracts and GST

All new contracts entered into which commit the University to the acquisition of a supply of goods or services (inputs), or the University undertakes to make a supply of goods or services (outputs), must include a clause concerning the GST.

Contracts should clearly define the nature of the supplies and indicate whether the supplies are subject to GST or are GST-free.

The University’s interests must be properly considered before agreements are made on its behalf. The University Legal Office should approve any proposed agreement or contract between the University and any outside party before any commitment is made.

10 GST Calculations

10.1 How to work out how much GST has been paid

If GST has been charged, it will always be included in the price of taxable goods and services, but may not be shown separately.

If the GST is not shown separately, the invoice will likely state “Total price includes GST” and the amount of the GST paid will be 1/11th of the total price.

If an Invoice does not either show a separate amount for GST or state “Total price includes GST”, no GST has been paid.
10.2 How to work out the amount of GST to charge

To work out how much GST to include in the price of goods or services subject to GST, divide the value of the goods or services by 10.

11 GST and TechOne Financials

11.1 GST and TechOne

In most instances the GST component of the purchase price is allocated to a central account for GST. Financial Services will arrange the claim for the refund of the GST as appropriate.

11.2 Internal Transactions

Purchases by UTRANs or cost recover journals are internal transactions. GST is not included in the purchase price or recovery amount.

12 Records Management

Records and information that support these activities will be created, managed and retained in accordance with University Records Management Policy, Procedures and Guidelines.

13 Associated Policies and Documents

13.1 Policies

- GST Policy
- General Purchasing Policy
- Records Management Policy

13.2 Guidelines and Procedures

- General Purchasing Guidelines
- Invoice Payment Guidelines
- Cashier and Revenue Collection Guidelines
- Invoicing and Receivable Guidelines
- Records Management Procedures and Guidelines

14 Definitions and Acronyms

<table>
<thead>
<tr>
<th>Term/Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABN</td>
<td>Australian Business Number</td>
</tr>
<tr>
<td>ATO</td>
<td>Australian Taxation Office</td>
</tr>
<tr>
<td>GST</td>
<td>Goods &amp; Services Tax, broad based consumption tax</td>
</tr>
</tbody>
</table>
## Versioning

<table>
<thead>
<tr>
<th>Former Version</th>
<th>Current Version</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version 1</td>
<td>Version 2</td>
</tr>
</tbody>
</table>
### Appendix A: GST Guide for Revenue

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>All internal transactions</td>
<td>X</td>
<td>(Outside scope of GST)</td>
<td></td>
<td>Many University budget centres purchase goods and services from one another. This type of transaction is usually handled through UTrans. GST does not apply to transactions within the one business, because in a legal sense, entities cannot transact with themselves. Internal transactions that are processed via UTrans, (with the exception of transactions involving student accommodation), <strong>are not subject to GST</strong>. Furthermore, the price charged by the supplying department should take into account any GST which has been claimed back from the ATO when the purchase was originally made from an outside supplier.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>VET, undergraduate, and Post graduate award courses</td>
<td>X</td>
<td></td>
<td></td>
<td>Associate degree, associate diploma, diploma, advanced diploma, Bachelor degree, graduate degree, graduate certificate, graduate diploma, a Master’s qualifying course or a combined course that leads to two of these awards will be GST-free.</td>
</tr>
<tr>
<td>Masters or Doctoral award courses</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary students enrolled in additional subjects outside their award course requirements</td>
<td>X</td>
<td></td>
<td></td>
<td>Voluntary students enrolled in award courses at the University but who also enrol in additional subjects not required to complete their award course will also be GST-free providing the additional subject is also a subject from a wider GST-free course.</td>
</tr>
<tr>
<td>Miscellaneous students enrolled in a single unit or subject which forms part of a GST-free award course (who intend to complete assessment requirements)</td>
<td>X</td>
<td></td>
<td></td>
<td>Miscellaneous students who are not enrolled in any award course at the University but who enrol in particular subjects that are part of a wider GST-free course are GST-free provided the student intends to complete the assessment requirements.</td>
</tr>
<tr>
<td>English language courses for overseas students</td>
<td>X</td>
<td></td>
<td></td>
<td>Courses which comprise study in the English language and are provided to overseas students are GST-free.</td>
</tr>
<tr>
<td>Preparatory and bridging courses</td>
<td>X</td>
<td></td>
<td></td>
<td>Courses which are designed to assist people to gain entry into a University award course will be GST-free.</td>
</tr>
<tr>
<td>HELP (formerly HECS) up-front</td>
<td>X</td>
<td></td>
<td></td>
<td>Up front HELP payments are collected by the University in an agent capacity and do not</td>
</tr>
</tbody>
</table>
### Goods and Services Tax (GST) Guidelines

**Payments by Students**

Amount to a transaction between the University and the student. HELP charges are included on the GST Determination of Fees and Charges that are outside the scope of the GST.

**Courses Conducted Overseas**

Courses that are GST-free when taught in Australia will also be GST-free if taught overseas (for example undergraduate and post graduate award courses detailed above).

All other courses may be GST-free under export provisions if the course is provided overseas to a non-resident of Australia. This is a complicated area. Please seek assistance from Taxation Services if required.

**Short Courses (predominantly fee paying)**

Courses that are not covered elsewhere in this guide will generally be taxable. Short courses such as the Company Director Course run by Commerce and Law are subject to GST. Many other non-award courses are run by UTAS on an ad-hoc basis and will be subject to GST.

**Continuing Professional Development**

Courses conducted by the University for the maintenance of a professional qualification or maintenance of membership of a professional association will be GST-taxable.

### Course Related Costs

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course readers, lecture notes and course notes sold to students by UTAS</td>
<td>X</td>
<td></td>
<td></td>
<td>Course materials that are consumed or transformed by students undertaking a GST-free course are GST-free provided they are sold by the University.</td>
</tr>
<tr>
<td>Stationery and other consumables</td>
<td>X</td>
<td></td>
<td></td>
<td>Sale, lease or hire of goods (that are not course materials) are GST taxable.</td>
</tr>
<tr>
<td>Computer consumables (disks, paper, print cartridges etc.)</td>
<td>X</td>
<td></td>
<td></td>
<td>Sale, lease or hire of goods (that are not course materials) are GST taxable.</td>
</tr>
<tr>
<td>Computers sale or hire charges</td>
<td>X</td>
<td></td>
<td></td>
<td>Sale, lease or hire of goods (that are not course materials) are GST taxable.</td>
</tr>
<tr>
<td>Printing services (including photocopying, laser printing and CAPS)</td>
<td>X</td>
<td></td>
<td></td>
<td>Sale, lease or hire of goods (that are not course materials) are GST taxable.</td>
</tr>
<tr>
<td>Fields trip charges (for a GST free course)</td>
<td>X</td>
<td>(See below)</td>
<td></td>
<td>Field trips that are part of a GST-free education course are also GST-free with the exception of food and accommodation components.</td>
</tr>
<tr>
<td>Accommodation for</td>
<td>X</td>
<td></td>
<td></td>
<td>Accommodation for field trips would normally be</td>
</tr>
</tbody>
</table>
field trips | subject to GST.  
---|---
Food for field trips | X | The treatment of food will depend on the nature of food or meals provided. If the food purchased is meals that are purchased from a restaurant or takeaway outlet then these will be GST taxable.

Levies for materials that are used or consumed as a part of a GST-free course | X | For example a levy to cover painting supplies for a subject in a Fine Arts Degree will be GST-free.

Other course materials for a GST-free education course | X | See above under Course Materials.

| **Student Administration Services** |  |
| --- | --- | --- | --- |
| **Type of Transaction** | GST TAxed | GST Free | Input Taxed | **Comments** |
| Services & Amenities Fees (annual fee & joining fee) | X | Supply of facilities and administrative services directly related to the supply of a GST free education course. |
| University course and unit handbook | X | Must be sold by the University |
| Interstate admission guide | X | Must be sold by the University |
| Supplementary or deferred exam charges paid by students(e.g. where an exam was sat at an interstate University) | X | Charges must be for an exam that is a part of a GST-free education course such as a bachelor degree course. |
| Review of assessment fee | X | Charges must relate to a GST-free education course such as a bachelor degree course. |
| Late enrolment fee | X | Charges must relate to a GST-free education course such as a bachelor degree course. |
| Late application for admission fee | X | Charges must relate to a GST-free education course such as a bachelor degree course. |
| Academic transcript charges | X | Charges for short course transcripts would be GST-taxable. |
| Replacement student ID card charges | X | Charges for short course IDs would be GST-taxable. |
| Replacement testamur charges | X |  |
| Examination charges paid by other Universities | X | Charges to other education institutions to conduct examinations on their behalf will be subject to GST. The GST will be claimed back by the paying institution. The actual amount charged |
Other administrative services provided by the University directly related to a GST-free course | X | Seek guidance in relation to the particular service concerned.

<table>
<thead>
<tr>
<th>Library/Information Services</th>
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<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet access charges for searching library catalogues etc.</td>
<td>X</td>
<td></td>
<td></td>
<td>Only where separate or additional fees or charges apply</td>
</tr>
<tr>
<td>Printing charges</td>
<td></td>
<td></td>
<td></td>
<td>See course related materials</td>
</tr>
<tr>
<td>Document Delivery fees</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semester or annual library access fees for fee paying students</td>
<td>X</td>
<td></td>
<td></td>
<td>Providing that the fee paying student is enrolled in a GST-free education</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>course such as a bachelor degree course, library access fees will also</td>
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<td></td>
<td></td>
<td></td>
<td>be GST-free</td>
</tr>
<tr>
<td>Semester or annual library access fees for special borrowers e.g. graduates,</td>
<td>X</td>
<td></td>
<td></td>
<td>Fees for University Library access will be taxable where the purchaser is</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>not enrolled in a GST-free education course at the University.</td>
</tr>
<tr>
<td>Library fines e.g. overdue fines for normal, reserve and short term loan</td>
<td>X</td>
<td></td>
<td></td>
<td>Library fines will generally be GST-free where they are a fixed fine</td>
</tr>
<tr>
<td>items</td>
<td></td>
<td></td>
<td></td>
<td>irrespective of the value of the book. Statutory fines and penalties are</td>
</tr>
<tr>
<td>(Outside scope of GST)</td>
<td></td>
<td></td>
<td></td>
<td>not consideration for a supply and not subject to GST. University fines</td>
</tr>
<tr>
<td>Lost items charge</td>
<td>X</td>
<td></td>
<td></td>
<td>Library fines will generally be GST-free where they are a fixed fine</td>
</tr>
<tr>
<td>(Outside scope of GST)</td>
<td></td>
<td></td>
<td></td>
<td>irrespective of the value of the book. Statutory fines and penalties are</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>not consideration for a supply and not subject to GST. University fines</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Student Accommodation</th>
</tr>
</thead>
</table>

Goods and Services Tax (GST) Guidelines
### Type of Transaction

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation charges</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catering</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Research and Consulting

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting activities - domestic</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting activities - overseas</td>
<td>X</td>
<td></td>
<td>Where consulting activities are contracted with an organisation who is not an Australian Resident and the related supplies are made outside Australia the activities will be GST-free under the export provisions. This is a complicated area. Please seek guidance from Taxation Services.</td>
<td></td>
</tr>
<tr>
<td>Research activities funded by Government Appropriations</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research activities funded by other organisations</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-kind Contributions provided to the University such as the provision of staff or specialised chemical analysis of samples for no charge</td>
<td>X</td>
<td></td>
<td>Definition of consideration is greatly expanded to include non-monetary consideration.</td>
<td></td>
</tr>
<tr>
<td>Third party ‘industry’ cash or in-kind contributions made by collaborators who are not usually party to the original research contract</td>
<td>X</td>
<td></td>
<td>Payments would represent consideration for a supply for the purpose of the GST legislation.</td>
<td></td>
</tr>
</tbody>
</table>

### Trading Activities

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship of conferences, workshops</td>
<td>x</td>
<td></td>
<td></td>
<td>Sponsorship is made for the provision of advertising at events is deemed a taxable supply.</td>
</tr>
<tr>
<td>Hire of University equipment/facilities</td>
<td>X</td>
<td></td>
<td></td>
<td>For example the hire of a convention venue or related facilities by students or organisations not part of the University will be subject to GST.</td>
</tr>
<tr>
<td>Commercial rental of University premises</td>
<td>X</td>
<td></td>
<td></td>
<td>Commercial rental of University premises such as rental of the book shop premises will be subject to GST.</td>
</tr>
<tr>
<td>Items</td>
<td>X</td>
<td>Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-----</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees charged to delegates of a conference which is hosted and run by the University</td>
<td>X</td>
<td>The fees charged to individuals and organisations outside the University structure will be subject to GST. Any fees paid by budget centres within the University will not be subject to GST. Refer to the explanation on internal transactions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car park fees and car park permits</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional, magazine and Journal subscriptions that the University provides</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performances and presentations by University schools / faculties / departments</td>
<td>X</td>
<td>Where performances or presentations are made to the public and a charge is made for attendance or entry, GST will apply to the transaction. Examples include musical concert and theatrical plays.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>‘Hire’ of University vehicles to budget centres in the University.</td>
<td>X</td>
<td>Hire of vehicles within the University will be an internal transaction and GST will not apply to the transaction. Refer to the explanation in relation to internal transactions at the beginning of this table.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sport and recreational membership and related activities e.g. tennis court hire and aerobic classes</td>
<td>X</td>
<td>Potentially a complicated area that is dependent on the nature of each line of food sold. However, assuming that the food sold is generally confectionary, snack foods, sport drinks and soft drinks these will all be GST taxable.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sport and recreational canteen sales</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm sales - fruit and vegetables</td>
<td>X</td>
<td>Food for human consumption is GST-free.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm sales - oats, wheat barley etc.</td>
<td>X</td>
<td>Any grain, cereal or sugar cane that has not been subject to any process or treatment that alters its form is subject to the normal GST rules. Once processed and considered food for human consumption these products will be GST-free.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm sales - live animals</td>
<td>X</td>
<td>Live animals are subject to GST until they are slaughtered and stamped by a meat inspector. From this point on they are GST-free.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm sales - poppies</td>
<td>X</td>
<td>Poppies are not food and therefore normal GST rules will apply.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm sales - milk</td>
<td>X</td>
<td>Unprocessed cow’s milk will be subject to GST.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The sale of processed milk to the consumer will however be GST-free.

<table>
<thead>
<tr>
<th>Goods and Services Tax (GST) Guidelines (December, 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm sales - not for human consumption</td>
</tr>
<tr>
<td>Homestay accommodation - application fee</td>
</tr>
<tr>
<td>Homestay accommodation - accommodation charges</td>
</tr>
<tr>
<td>Homestay accommodation - bond</td>
</tr>
</tbody>
</table>

Farm sales - not for human consumption

Any farm products which are sold on the basis that they are not food for human consumption such as where crops are sold as stock feed will be subject to GST.

Homestay accommodation - application fee

The application fee is not a payment for residential accommodation. It is a matching service that is discrete from the actual accommodation charges and is a service in its own right that needs to be considered separately.

Homestay accommodation - accommodation charges

The fees charged for Homestay are effectively a boarding fee to cover residential accommodation, food and transport. It is considered that the dominant supply is the accommodation and the activity will therefore be input taxed.

Homestay accommodation - bond

See discussion of bonds and security deposits below.

Other

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking fines</td>
<td>X</td>
<td></td>
<td></td>
<td>Statutory fines and penalties are not consideration for a supply and not subject to GST. University fines and penalties that are levied under a by-law or ordinance of the University of Tasmania Act 1992 are therefore not subject to GST.</td>
</tr>
<tr>
<td>Locker hire charges</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settlements under insurance policies</td>
<td>X</td>
<td></td>
<td></td>
<td>Amendments to GST legislation now mean that when input tax credits can be claimed in relation to premium payments, related settlements will not be subject to GST. Exceptions will therefore apply to insurance settlements for student accommodation activities.</td>
</tr>
<tr>
<td>Bond or security deposits paid to the University</td>
<td>X</td>
<td>(Outside scope of GST)</td>
<td></td>
<td>Deposits that are paid to the University to ensure the safe return of goods or materials are not subject to GST unless the deposit is forfeited (for example because the goods are not returned). GST will be payable on the amount of any deposit forfeited.</td>
</tr>
<tr>
<td>Sale of surplus assets (by trade-in, tender or direct sale methods)</td>
<td>X</td>
<td></td>
<td></td>
<td>The sale of second hand University plant and equipment will be a GST taxable transaction unless it is an internal ‘sale’ to another UTAS Budget Centre and ‘payment’ is by UTrans.</td>
</tr>
<tr>
<td>Grants in general that are provided to the</td>
<td>X</td>
<td></td>
<td></td>
<td>Grants potentially represent payment for a supply of some description. The supply will be made by</td>
</tr>
</tbody>
</table>
Reimbursements paid by outside organisations to cover a portion of employee costs | X | Staff salary costs are only GST-free where an employee’s employer makes the payments.

### Fundraising and Promotional Activities

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations (cash and in-kind) which are made to the University or Foundation in return for no material benefit</td>
<td>X</td>
<td>(Outside scope of GST)</td>
<td>Payment of the gift to a non-profit body is not consideration for a supply and is therefore outside the scope of the GST system. Donations may include payments for prizes and scholarships.</td>
<td></td>
</tr>
<tr>
<td>Donations with conditions and/or obligations attached or where a material benefit is provided to the donor</td>
<td>X</td>
<td>As soon as a ‘donation’ has conditions and obligations attached the payment will be subject to GST because benefits or rights flow as a result of the payment. A supply is therefore made in respect of the payment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising dinners</td>
<td>X</td>
<td>Meals together with other goods or services are provided in relation to the money paid to the University. As a result these events would generally be GST taxable. There are flexible registration options that may allow these events to be considered separately from the rest of the University’s activities thereby avoiding the requirement to charge GST. The activity would essentially be treated as an unregistered enterprise and the GST paid on purchases would represent an increased cost to these activities. Advice should be sought from Financial Services prior to finalising any arrangements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raffle ticket sales</td>
<td>X</td>
<td>Raffles and bingo activities conducted by charitable organisations are GST-free. The University should also enjoy this concession although clarification is required. If a budget centre is going to run a raffle then advice should be sought in relation to the GST consequences.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsorship fundraising events</td>
<td>X</td>
<td>Payments in cash or in-kind for the purpose of sponsoring fundraising will be GST-taxable. The amount of sponsorship requested in cash should be increased by 10% and this amount will be claimed back from the ATO by the sponsoring institution. In-kind sponsorship provided by GST registered organisations should not need to be increased by 10% because the University will be entitled to an offsetting input tax credit for the</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
goods or services provided in-kind.

<table>
<thead>
<tr>
<th>Payroll</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission withheld for Health Insurance premiums and other deductions from payroll</td>
<td>X</td>
<td></td>
<td></td>
<td>GST will be required to be remitted in relation to these withheld amounts. Amounts should be increased by the organisation paying the commission to the University to adjust for GST.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Treasury and Investment Activities</th>
<th>GST Taxed</th>
<th>GST Free</th>
<th>Input Taxed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential property investments (sale or rental)</td>
<td>X</td>
<td></td>
<td></td>
<td>Generally, residential property investments will be input taxed. Each transaction needs to be separately reviewed by the Legal Office. All negotiations should be done on a GST-exclusive basis.</td>
</tr>
<tr>
<td>Commercial property investments (sale or rental)</td>
<td>X</td>
<td></td>
<td></td>
<td>Generally, commercial property investments will be subject to GST unless deemed ‘a going concern’ Each transaction needs to be separately reviewed by the Legal Office. All negotiations should be done on a GST-exclusive basis.</td>
</tr>
<tr>
<td>Interest and investment income received by the University</td>
<td>X</td>
<td></td>
<td></td>
<td>The loaning / deposit / investment of money is a financial supply with interest or investment earnings being the consideration for the supply.</td>
</tr>
</tbody>
</table>
Appendix B: Appropriations (Payments between related entities)

From 1 July 2012, a payment will not be subject to GST if all of the following apply:

- the payment is made by a government related entity (GRE) to another GRE for making a supply
- the payment is covered by an appropriation under an Australian law or is made under a specified intergovernmental health reform agreement, and
- the payment satisfies the non-commercial test.

**Payments made between government related entities**

The payment must be made by a GRE to another GRE for making a supply. It is not necessary that the supply is made to the GRE making the payment. The supply may be made either to the GRE making the payment or to a third party. If there is no supply made for the payment, there will be no GST under the basic rules in the GST Act.

**Payments covered by an appropriation or intergovernmental health reform agreement**

The payment must either be:

- covered by an appropriation under an Australian law, or
- made under a specified intergovernmental health reform agreement.
The payment is covered by an appropriation under an Australian law

An 'appropriation under an Australian law' means an authorisation to spend money, by a statute of the Commonwealth, a state or a territory, or by delegated legislation. The payment is covered by an appropriation under an Australian law if it is authorised to be paid under that law.

An appropriation is not in itself a payment; it is the legislative authorisation for making a payment.

The payment is made under a specified intergovernmental health reform agreement

If the payment is not covered by an appropriation under an Australian law, the payment must be made under one of the following:

- the National Health Reform Agreement agreed by the Council of Australian Governments on 2 August 2011
- an agreement entered into to implement the National Health Reform Agreement.
Appendix C: Examples of Donations/Gifts

The examples below give further guidance on donations/gifts.

**Example 1: Material Benefit to the Donor**

XYZ makes a donation to the University to enable it to undertake specific research in the area of marine biology. The University will provide a report on the results of the research to XYZ which XYZ intends to use in its business. The report may be expected to provide a material benefit to the grantor.

In this situation the donation does not have the characteristics of a gift. The University in the provision of the report has made a supply. The donation will be consideration for the supply of the report and is therefore subject to GST.

**Example 2: Acquittal Report that is not a Material Benefit**

XYZ donates money to the University to conduct cancer research and to disseminate the results in the usual way, by publication in academic journals. An agreement is entered into between XYZ and the University under which the university will account for the expenditure of the gift on cancer research.

The supply of information in accounting for the grant does not provide a material benefit to the donor. Therefore it is not subject to GST.

**Example 3: Mere Recognition of the Gift**

XYZ decides to make a donation of $5,000,000 to the University for building a research laboratory for the Menzies Centre. As part of the gift XYZ gives the money to the University with the stipulation that the money must be used for the purpose of constructing the new research laboratory.

In order to recognise XYZ’s generosity, the University will name the new research laboratory in his honour. In further recognition, the University will also acknowledge the gift by placing a plaque in the foyer of the new research laboratory.

These acts by the University would not affect the status of the donation as it still possesses the characteristics of a gift, i.e., the donation was made voluntarily and no material benefit accrued to the donor. The fact that public recognition is obtained by XYZ or was a condition of the gift does not constitute a material benefit. Therefore as the donation is a gift, it will not be subject to GST.

**Example 4: Donation to Fund a Prize**

XYZ makes an annual donation to the University to fund a prize for the best student undertaking the first year of a Bachelor of Commerce. The University recognises the generosity of the donor by naming the prize ‘The XYZ Prize’. The University publishes the details of all prizes in University publications and the winners of all prizes in local newspapers.
These acts by the University would not affect the status of the donation, as it still possesses the characteristics of a gift, i.e., the donation was made voluntarily and no material benefit accrued to the donor. The fact that public recognition is obtained by XYZ or was a condition of the gift does not constitute a material benefit. Therefore as the donation is a gift, it will not be subject to GST.

**Example 5: Donation to Fund a Scholarship**

XYZ makes an annual donation to the University’s scholarship fund for a 3-year scholarship to be awarded to the student with the highest TCE score commencing study at the University.

The University recognises the generosity of the donor by naming the scholarship ‘The XYZ Scholarship’. The University publishes the details of all scholarships in University publications and the winners of all scholarships in local newspapers.

These acts by the University would not affect the status of the donation as it still possesses the characteristics of a gift, i.e., the donation was made voluntarily and no material benefit accrued to the donor. The fact that public recognition is obtained by XYZ, or was a condition of the gift does not constitute a material benefit. Therefore as the donation is a gift, it will not be subject to GST.