

information sheet

UPDATE ON THE NEW TAX SYSTEM

The New Tax System

Under the New Tax System, it is estimated that approximately 250,000 charitable organisations will register for an Australian Business Number (ABN) with the Australian Taxation Office (ATO). With such a huge number of organisations being affected, Shelter WA has put this information sheet together to:

- provide a brief overview of the key bodies involved in the implementation of the New Tax System; and
- provide details of where you can get further information.

Firstly, the legislation covering what is now known as the New Tax System actually comprises of a number of components:

- The Goods and Service Tax (GST);
- Australian Business Number (ABN) registration;
- Pay As You Go (PAYG); and
- Business Activity Statements (BAS).

The Australian Tax Office, The Treasury and the GST Start-Up Assistance Office will have responsibility for implementing the New Tax System. They will be assisted by:

- The New Tax System Advisory Board;
- The ATO Charities Consultative Committee; and
- Two advisory panels to the GST Start-Up Assistance Office, one for the Community Sector and one for Businesses.

The Australian Taxation Office (ATO)

The ATO has been allocated \$84 million over the next two years to conduct a targeted education and communication campaign.

The education campaign will include a separate strategy for non-English speaking background and indigenous people.

In addition:

- a number of seminars will be held in 180 towns across Australia; and
- sector specific booklets are being developed including Charities and Religious Bodies and the New Tax System.

The GST Start-Up Assistance Office

This office was established in August and has set aside \$500 million to assist small and medium enterprises, charities and educational bodies (SMECEs) to help get ready for the GST. Two Advisory Panels have been appointed to assist in program design, delivery, co-ordination and evaluation – these are the Business Advisory Panel and the Community Sector Advisory Panel. This office has also established a GST Business Assist Helpline to provide small and medium businesses with information on business skills, practices and processes to help them get ready for the GST. Helplines specifically for the community sector and education bodies are also being set up.

The New Tax System Advisory Board

The Board's aim is to ensure that government communication with taxpayers is both consistent and that it reaches all taxpayers affected by the changes. The Board will provide ongoing advice to Government on aspects of the implementation of the New Tax System that can be improved.

The Board's scope includes:

- monitoring the delivery of all tax reform implementation;
- providing information and education; and
- monitoring the operations of the GST Start-Up Assistance Office.

ATO Charities Consultative Committee

This committee has been established to inform the Community sector on the impact of the GST and to help develop ATO rulings in advance of GST implementation. An 'Issues Document' has been developed which identifies the major issues for the charitable sector and forms the basis for discussions by the Committee.

The main issues under consideration include:

- defining charitable institutions and activities;
- the definition of commercial and non-commercial activities;
- GST treatment of grants;
- GST treatment of sponsorships and membership fees;
- GST treatment of fund raising activities; and
- the impact of the GST on 'sheltered work-shops'.

Representatives on the Committee include: Brotherhood of St Laurence, Australian Council of Social Services (ACOSS), Australian Council for the Rehabilitation of the Disabled (ACROD), the Salvation Army, Mission Australia, Catholic Archdiocese of Sydney, Queensland University of Technology, Community Housing Federation of Australia, St John's Ambulance, and the ATO.

For Further Information

You can contact any of the following:

- Any of the organisations on the Charities Consultative Committee;
- The GST Start-Up Assistance Office; website www.gststartup.gov.au
- The Australian Tax Office; website www.ato.gov.au phone (02) 9354 370
- GST Business Assist Helpline phone 13 30 88.