



Taxation policy

Section 1 - Preamble

(1) This Policy is effective from 20 October 2014.

Section 2 - Purpose

(2) This Policy establishes a framework for how the University will comply with applicable legal requirements in the administration of taxation laws.

Section 3 - Scope

(3) This Policy applies to all staff involved in transactions that have a taxation impact. The taxes covered are:

- a. Income Tax
- b. Fringe Benefits Tax (FBT)
- c. Goods and Services Tax (GST)
- d. Payroll Tax
- e. Land Tax
- f. Pay As You Go (PAYG) Withholding.

Section 4 - Policy

Compliance

(4) The University will comply with all relevant Australian taxation legislation.

(5) Where a potential taxation liability exists, the officer responsible for the administration of the relevant tax will take action to minimise the liability consistent with legal requirements.

(6) No staff are to be involved in any arrangement to avoid tax which contravenes taxation laws.

Income tax

(7) The University is exempt from income tax as it is a public educational institution and is further endorsed as a charitable institution. It is therefore not required to lodge an income tax return. University controlled entities are by default taxable and must apply to the Australian Charities and Not-for-profit Commission if they seek income tax exemption.

Fringe Benefits Tax

(8) The [Taxation procedure](#) will provide guidance about Fringe Benefits Tax (FBT) and how it impacts the University. The procedure will also provide information on costs that are to be paid for or reimbursed by employees in order to

minimise the University's FBT liability consistent with legal requirements and to ensure accurate, complete and correct reporting.

(9) The University will only bear the costs for any benefits where these are allowed for by an employment contract or by another policy or procedure.

Goods and Services Tax

(10) The [Taxation procedure](#) will provide guidance about Goods and Services Tax (GST) and how it impacts the University.

Payroll tax

(11) The [Taxation procedure](#) will provide guidance about Payroll tax and how it impacts the University.

Land tax

(12) The [Taxation procedure](#) will provide guidance about Land tax and how it impacts the University.

Pay As You Go (PAYG) withholding

(13) The [Taxation procedure](#) will provide guidance about the Pay As You Go (PAYG) withholding system and how it impacts the University

Roles and responsibilities

(14) Corporate Finance is responsible for Income Tax, FBT, GST and PAYG withholding with respect to payments to suppliers.

(15) The Director, Corporate Finance through the Taxation Manager will provide appropriate training, regular information and advice, updates and directions about taxation requirements to relevant staff so that the University can comply with taxation legislation.

(16) The Taxation Manager will prepare and lodge all necessary returns and statements as required for Income tax, FBT, GST and PAYG withholding with the Australian Taxation Office.

(17) Heads of budget centres must:

- a. identify all potential fringe benefits provided to employees and ensure that legislative, policy and procedural requirements are complied with
- b. ensure that invoices raised and income receipts are correctly classified for GST purposes
- c. ensure that invoices forwarded to Corporate Finance for payment correctly record GST, where applicable.
- d. ensure that invoices recorded and acquitted in the Travel and Expense Management System (TEMS) correctly record GST, where applicable
- e. ensure compliance with all directions from the Chief Financial Officer concerning the administration of taxation administered by Corporate Finance. Adequate records must be kept by the Heads of budget centres for five years for tax substantiation purposes.

(18) Budget centres that incur a tax liability, including FBT, are responsible for the cost.

(19) Budget centres are to advise Corporate Finance of the details of relevant FBT matters (including residual benefits) to ensure FBT is appropriately calculated and charged.

(20) All staff must comply with legislative, policy and procedural requirements when provided with fringe benefits and

in cases of doubt or uncertainty seek advice from the Taxation Manager.

Section 5 - Procedure

(21) The [Taxation procedure](#) documents how to comply with this Policy.

Section 6 - Definitions

(22) For the purpose of this Policy:

- a. Fringe benefits: benefits provided to employees by the employer. Fringe benefits may include any rights, privileges, services or facilities. Fringe benefits exclude payments of salary or wages, eligible termination payments or contributions to complying superannuation funds.
- b. Fringe Benefits Tax: a tax levied on the University by the federal government where an employee is provided with a fringe benefit. The taxable value of a fringe benefit is the private component. Fringe benefits may be in the form of entertainment, travel, vehicle use, housing or other types of expenses.
- c. Goods and Services Tax: a broad-based tax of 10 per cent levied on the University by the federal government on most supplies of goods and services consumed in Australia. As a general rule the University claims any tax paid on supplies it receives and charges the tax on applicable supplies it makes.
- d. Heads of budget centres: any individual responsible for a budget centre.
- e. Income tax: a tax levied by the federal government on the taxable income of an entity.
- f. Land tax: a tax levied on the University by the state government on land it owns that is not exempted for land tax purposes.
- g. Partner: a person who (regardless of sex or gender) lives in a relationship as a couple with another person on a genuine domestic basis. The definition also includes a former spouse or de facto partner of the staff member.
- h. Pay As You Go (PAYG) withholding: a single, integrated system for reporting and withholding amounts of tax on payments of salary and wages to employees and payments to suppliers as required.
- i. Payroll tax: a tax levied on the University by the state government on wages and benefits paid to employees.

Status and Details

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Implementation Officer	George Rizakis Taxation Manager +61 3 92468119
Author	Tony Vlahandreas Senior Policy Adviser
Enquiries Contact	George Rizakis Taxation Manager +61 3 92468119