



Taxation policy

Section 1 - Preamble

(1) This Policy is effective from 23 April 2020.

Section 2 - Purpose

(2) Deakin University will comply with its taxation obligations in accordance with legislative requirements.

Section 3 - Scope

(3) This Policy applies to all transactions with a taxation impact, including but not limited to:

- 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 taxation legislation.

(5) Staff must not be involved in any arrangement to avoid tax, or which contravenes taxation laws.

Section 5 - Procedure

Income Tax

(6) The University is exempt from Income Tax as it is a public educational institution and has been endorsed as a charitable institution. It is therefore not required to lodge an Income Tax return.

(7) University controlled entities are taxable. University controlled entities that seek an Income Tax exemption must apply to the Australian Charities and Not-for-profit Commission for an Income Tax exemption. The Taxation Manager will perform this on behalf of University controlled taxable entities.

Fringe Benefits Tax

(8) The major types of fringe benefits which apply to University staff and their associates are:

- a. entertainment
- b. travel
- c. cars
- d. housing, and
- e. expenses.

(9) The University will only bear the costs for fringe benefits where these are allowed for by an employment contract or by another policy or procedure. The University will not incur the costs for fringe benefits (i.e. private or non-business related expenses) in relation to travel. The University is liable to pay Fringe Benefits Tax on the grossed-up taxable value of all fringe benefits provided to employees. Further information on Fringe Benefits Tax can be found on the [Corporate Finance website](#).

Goods and Services Tax

(10) Detailed information on the Goods and Services Tax (GST) system and how it impacts the University can be found on the [Corporate Finance website](#).

Land Tax

(11) The University is liable for [Land Tax](#). Deakin Finance administers Land Tax related matters at the University in conjunction with DeakinLegal. Information on Land Tax can be found on the [State Revenue Office \(SRO\) website](#).

Payroll Tax

(12) The University is required to pay [Payroll Tax](#) on salary paid to its employees. Payroll Tax is paid in the state or territory in which the work has been performed. Payroll Tax is administered by the Human Resources Division.

(13) Faculties and Portfolios are charged on-costs on all salary paid which includes a provision for Payroll Tax.

(14) Information on Payroll Tax can be found on the [Oncosts website](#).

Pay As You Go (PAYG) withholding - payment of salary and wages to employees

(15) The University is required to withhold PAYG tax from all salary paid to its employees. PAYG withholding is administered by the Human Resources Division. Information on the PAYG withholding rates can be found on the [Australian Taxation Office website](#).

Section 6 - Definitions

(16) For the purpose of this Policy:

- a. Employee: current, future or former staff members. For the purposes of Fringe Benefits Tax, an employee includes an associate of the employee (eg child, partner)
- b. 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.
- c. 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.
- d. 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.

- 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 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	Robin Donohue Director, Corporate Finance 924 46755
Author	George Rizakis Taxation Manager +61 3 92468119
Enquiries Contact	George Rizakis Taxation Manager +61 3 92468119