



Taxation Policy

Section 1 - Preamble

(1) This Policy is effective from 12 December 2023.

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. Staff must furnish necessary documentation as needed, and as permitted by law, to ensure adherence to tax regulations.

Section 5 - Procedure

Income Tax

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

(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 Director, University Financials will perform this on behalf of University controlled taxable entities.

Fringe Benefits Tax

(8) The University is required to remit Fringe Benefits Tax (FBT) to the Australian Tax Office (ATO) for the benefits it provides to its employees or associates of employees. This tax is applicable to the value of fringe benefits provided and must be reported and paid in accordance with relevant tax regulations and guidelines.

(9) The major types of fringe benefits that apply to the University are listed below and have implications and regulations for compliance reporting that are unique to each category:

- a. entertainment – food and drink at restaurants, recreational activities, events, social gatherings
- b. travel – adding personal leave to business trips
- c. cars – provision of vehicles for personal use
- d. expenses – reimbursement of personal expenses, gifts.

(10) 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 related costs (e.g. airfares and accommodation). Further information on FBT can be found on the [Taxation SharePoint](#).

(11) The University must report reportable fringe benefits provided to employees on their annual payment summary/income statement where the total value is more than \$2,000. Further information can be found on the [Australian Taxation Office](#) website.

Goods and Services Tax

(12) The University is registered for Goods and Services Tax (GST) in Australia. The University must comply with all GST laws, rulings, guidelines and reporting obligations. All transactions entered into by the University should be analysed to determine the correct GST treatment.

(13) Detailed information on the GST system and how it impacts the University can be found on the [Taxation SharePoint](#).

Land Tax

(14) The University is liable for [Land Tax](#). Finance and Procurement administers Land Tax related matters at the University in conjunction with Office of General Counsel. Information on Land Tax can be found on the [State Revenue Office \(SRO\) website](#).

Payroll Tax

(15) 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.

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

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

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

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

Section 6 - Definitions

(19) 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

Status	Current
Effective Date	12th December 2023
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Approval Authority	Vice-Chancellor
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Expiry Date	To Be Advised
Responsible Executive	Kerrie Parker Deputy Vice-Chancellor, University Services dvc-us@deakin.edu.au
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