

Learning to live under the new tax regime
By Jackie Brady, Media Liaison Officer, ACBC

The Australian Catholic Bishops' Conference is currently seeking out community organisations who are yet to adopt new financial management procedures under the new tax system introduced in Australia on 1 July this year.

In general, Catholic Church organisations are coping extremely well with the changes brought about by the GST. It appears that the 142 preparatory workshops conducted by the Australian Catholic Bishops' Conference (ACBC) and the Australian Conference of Leaders of Religious Institutes (ACLRI), prior to 30 June, have provided the majority of Catholic organisations, and other community organisations who attended, with the necessary skills required for management under the GST.

Having said that, the GST Liaison Officer for the ACBC, Ms Wendy Day, is concerned that not all organisations are aware that this change in the tax system affects them. "Every single community organisation, including Church organisations, should have made some changes to the way they manage their financial records since the GST came in," said Ms Day. "If they haven't, they are probably not complying with the necessary requirements under the new tax system."

"Religious organisations are under the impression that the new tax system does not affect them because they have been told the Church received some exemptions from the Federal Government at the eleventh hour concerning the GST," said Ms Day. "Technically, this is correct. However, the Church must still submit a list to the Australian Taxation Office (ATO) detailing all organizations under a 'GST Religious Group'. If you aren't on the list - you don't qualify for exemption."

Membership to this group has very strict conditions, most notably that the organisation seeking to join must have registered for the GST and must be endorsed as an Income tax exempt charity by the ATO. At the present time there are over 4,000 entries in the 'GST Religious Group' which is yet to be approved by the ATO.

The ACBC would also like to advise community organisations that a second round of government funding provided by the GST Start-Up Assistance Office labeled "Phase II" will enable their consultants to continue to assist organisations who may be finding some difficulties with implementation of the GST or simply have some unanswered questions or problems that need resolving.