



SAMPLE SUMMARY OF GST

What is GST?

GST stands for Goods and Services Tax and is added to most things we buy in Australia. The current rate of GST is 10%.

How can GST affect my club?

Your club may be required to register for and collect GST. This means:

- You may need to add GST to your prices
- You will need to send that extra money to the ATO
- You can claim back any GST that you're charged on club supplies and expenses

GST free sales

Some types of products and services can be sold without adding GST, including:

- Staple foods such as fruit and vegetables, meat, most dairy and sauces
- Some education courses and resources
- Some medical and healthcare products
- Financial products and services

GST on imports

You will have to pay GST on most imported goods. It's added to the price you paid for the goods plus shipping costs, and you may have to pay it before customs will release the shipment. You can generally claim the cost back when submitting a GST return.

GST-registered businesses don't have to pay GST on services or subscriptions from overseas suppliers.

Registering for GST

Who needs to register?

- Australian based businesses with a turnover of \$75,000 or more
- Not for profit organisations with an annual turnover of \$150,000 or more

If your annual turnover is under the threshold, you can voluntarily register for GST. There are benefits of registering your business for GST, but there will also be extra things for you to think about so it's good to weigh up your options first. The main benefit of registering is that you will not end up paying GST on business expenses. You will still be charged the GST-inclusive price when you make the purchase, but you





can claim that money back when you file your return to the ATO. You will need to consider the additional administration work involved in recording GST transactions and filing returns with the ATO.

In order to register for GST, the club or association will require and Australian Business Number (ABN).

You can get your ABN and register online for GST through the Business Registration Portal

<https://register.business.gov.au/> or through the ATO Business Portal

<https://www.ato.gov.au/business/business-portal/>

Once registered for GST you need to:

- Add GST to your prices
- Issue tax invoices to your customers
- Keep receipts and invoices to claim back GST on business expenses
- Submit business activity statements (BAS) to the ATO
- Pay any GST due

Calculating GST and issuing tax invoices

To add GST to your prices, you need to put them up by 10%. The simple formula is

Your Price x 1.1 = GST inclusive

A tax invoice tells a customer how much GST they paid on a purchase. It is important information because some customers may be able to claim that tax back. If you are GST registered, you must issue a GST invoice on request.

What do you need to put on a tax invoice?

- The words "tax invoice" should appear somewhere prominent
- Customers identity – optional if charged less than \$1000
- Description of goods or services supplied
- Date invoice issued
- Seller (club) name
- Club ABN
- The pre-GST price
- The amount of GST added
- Total cost to customer

Claiming GST

You can claim back GST when:

- You've purchased goods or services for your club or association
- A customer leaves you with a bad debt





GST is claimed back when lodging your Business Activity Statement (BAS). The ATO will deduct the amount of GST claimed against the GST you have collected from customers.

Working out your GST payment or refund

You work out GST by comparing the amount you paid on purchases to the amount you collected on sales.

GST Collected – GST Paid = Amount owed to ATO.

If you have paid more GST than collected, you will be entitled to a refund from the ATO.

Business Activity Statement

A BAS is a form that you fill out usually quarterly, depending on your size. The ATO uses the information on your BAS to work out your GST refund or payment.

You'll need a record of how much GST you collected on sales, and how much was paid on purchases. You won't need to submit tax invoices when you lodge your BAS, but you will need to have them on hand. The ATO may ask to see them later.

You can lodge your BAS online:

- Via online accounting software
- Through the ATO's online business portal <https://www.ato.gov.au/business/business-portal/using-the-business-portal/lodge-an-activity-statement/>
- By having a registered tax or BAS agent submit it for you

Most clubs will lodge quarterly under the following deadlines:

- Quarter 1 (Jul-Sep) – due 28 October
- Quarter 2 (Oct-Dec) – due 28 February
- Quarter 3 (Jan-Mar) – due 28 April
- Quarter 4 (Apr-Jun) – due 31 July

If turnover is less than \$75,000 you can opt for an annual return

