

## GST status of Goods and Services and other items as applicable to Macquarie University transactions

### Goods and Services provided by the University - Supplies

The GST treatment (GST Code) will depend on the type of supply made as outlined below:

<b>Types of Supplies</b>	<b>GST coding in our Financial Systems</b>
GST-free supplies	F
Taxable supplies	C
Input-taxed supplies (no GST)	I (note also that the MQ cannot claim back the GST paid for acquisitions made to provide input-taxed supplies).
Export (no GST)	E
Out-of-scope supply (no GST)	NA

**GST-Free supplies** - No GST is levied on GST-free supplies. However, input tax credits (GST paid) may be claimed on creditable acquisitions incurred (e.g., purchases) in order to make GST-free supplies.

1	<p>Education course fees:</p> <ul style="list-style-type: none"> <li>(a) tertiary course (HECS or full fees)</li> <li>(b) Masters or Doctoral course (HECS or full fees)</li> <li>(c) single units of an approved tertiary course (referred to as non award courses in MQ)</li> </ul> <p>Note:</p> <ul style="list-style-type: none"> <li>• This applies to an Australian resident or overseas full fee paying students studying here in Australia and to all part time or full time students, or students on exchange program</li> <li>• For a course to qualify as a tertiary course for GST purposes, and thereby GST free, the course must be a course of study or instruction that is a tertiary course determined by the Education Minister under Subsection 5D (1) of the Student Assistance Act 1973, or any other course of study or instruction that the Education Minister has determined is a tertiary course for the purpose of the Act</li> </ul> <p>(d) ELICOS approved English Language course supplied by the University for overseas students-course fees</p> <p>(e) Extension studies and Study Abroad (only if the units are from units that are within otherwise GST free tertiary award courses) Single units that are not from an approved tertiary course are referred to as non-accredited units and are subject to GST. If the Study Abroad course comprise units that are within otherwise GST free tertiary courses and some non-accredited units, the course fees will be subject to GST on an apportionment basis</p>
2	<p>Education course materials. Must meet the following criteria</p> <ul style="list-style-type: none"> <li>• Must be provided for a subject in a GST free course</li> <li>• Provided by the supplier of the course (i.e., MQ or their agent to the students)</li> <li>• Necessarily consumed or transformed by the students undertaking the course, for the purpose of the course. <b>Examples include:</b> <ul style="list-style-type: none"> <li>• photocopied or printed educational materials that specifically relate to the course</li> <li>• taped lectures that specifically relate to a course</li> <li>• a study guide consisting of a collection of extracts from publications and lecturers' notes</li> <li>• course notes for a particular course; unexposed film and developing chemicals</li> <li>• consumables art supplies</li> <li>• ingredients used in a cooking class, wood used in a woodwork class and chemicals used in a chemistry class</li> <li>• work books that provide space for students to complete exercises</li> <li>• consumable stationery items to the extent to which they are necessary for the course</li> <li>• scalpels used by medical students in surgical operations that cannot be resharpened.</li> </ul> </li> </ul>

### GST-Free supplies continued...

3	<p>Child care fees if the supply is made by a registered carer or an approved child care service (within the meaning of section 3 of the ANTS (Family Assistance) (Administration) Act 1999 or by a supplier that is eligible for funding (whether or not in respect of that supply) from the Commonwealth under guidelines made by the Child Care Minister that relate to the funding of (a) family day care; or (b) occasional care; or (c) outside school hours care; or (d) vacation care; or (e) any other type of care determined in writing by that Minister.</p> <p>GST-free childcare fees include:</p> <ul style="list-style-type: none"> <li>• Food</li> <li>• electricity</li> <li>• bed linen</li> <li>• nappy wash services</li> <li>• excursions</li> </ul>
4	Excursion trips that are compulsory to the curriculum of an education course and is not predominantly recreational. However, for tertiary education, any supply of accommodation or food as part of the GST-free excursion trip is subject to GST
5	<p>Health</p> <ul style="list-style-type: none"> <li>• General Practitioner health services to student and the general public</li> <li>• Counselling and psychological services</li> <li>• Dental services</li> <li>• Other specific health services to people with disabilities</li> <li>• Chiropractic, acupuncture</li> </ul>
6	<p>Parking – non commercial to staff only (charged at nominal consideration).</p> <ul style="list-style-type: none"> <li>• Only the annual, quarterly and monthly parking to Macquarie University staff charged at nominal consideration is GST-free. Please note that the following types of parking are not GST-Free: <ul style="list-style-type: none"> <li>➢ Parking coupons sold to Division/Offices are internal sales and are Out-of-Scope of GST (GST code NA), <b>BUT</b> when these are on-sold to externals they are subject to GST</li> <li>➢ All other parking, for example, at vending machines, are subject to GST</li> </ul> </li> </ul>
7	<p>Student Administrative service fees, directly related to a GST free course and supplied by the provider of the course</p> <ul style="list-style-type: none"> <li>• Enrolment services, including the processing of late enrolments</li> <li>• Student Campus ID card and replacement of student ID card</li> <li>• Academic Transcripts and replacement academic transcripts</li> <li>• Overdue charges or late payment charges (such as late application fees)</li> <li>• Student Activities Fees (Ruled by ATO as GST free retrospective 1 July 2000)</li> <li>• Administration of the library e.g., library fines.</li> </ul>

**Taxable Supplies (Supplies subject to GST at the rate of 10%)** - As for GST-free supplies, input tax credits (GST paid) may be claimed on creditable acquisitions incurred (e.g., purchases) in order to make taxable supplies.

1	Airport pick-up fees charged to our overseas students
2	Application fees for overseas students Note :Application fees to process applications from overseas students studying in Australia that does not guarantee the applicant a right to receive a tertiary education course is subject to GST
3	Accommodation to visiting academics or non students-short term (Less than 28 continuous days)
4	Calendars, undergraduate and postgraduate handbooks
5	Computers, calculators, CD, DVD, clothing, photographic films and film processing, movie tickets, textbook sold in the Co-op bookshop
6	<p>Conferences, workshops, seminars. Supplies subject to GST at these events include:</p> <ul style="list-style-type: none"> <li>• Fees</li> <li>• Lunches, meals, dinners etc...</li> </ul>
7	Course fees for hobby and recreational courses not adding to employment related skills of people undertaking these courses
8	Commissions from health insurance agent

**Taxable Supplies (Supplies subject to GST at the rate of 10%) continued...**

9	Education course materials ruled by ATO as subject to GST including: textbooks (note the textbook subsidy scheme may be applicable) <ul style="list-style-type: none"> <li>• textbooks, written by lecturers at the University that are sold on and off campus</li> <li>• binders used for assignments/theses</li> <li>• musical instruments</li> <li>• lab coats</li> <li>• computers</li> <li>• calculators</li> <li>• sporting equipment</li> </ul>
10	Consulting
11	Continuing Education Courses, for example: <ul style="list-style-type: none"> <li>• HSC enrichment course</li> <li>• Italian Courses for Beginners</li> </ul>
12	Commission Earned
13	Grants where the grant represents consideration for a supply (see Research Grants in GST and Macquarie link located within the OFS homepage for exceptions)
14	Hire out of venue and equipment
15	Honorariums earned by professors but paid to the University (The University raises a tax invoice to the external organisation)
16	Library photocopying
17	Library keys
18	Orientation fees
19	On-Charging of salaries to external organisations. The payment of salaries by the University to employees is not subject to GST but if individuals are contracted to other external entities not in the University GST group, the on-charging of salaries to the external organisation is subject to GST
20	Parking – commercial (Refer to GST-free Parking for staff for exceptions)
21	Placement fees for homestay and accommodation for overseas students studying in our English courses
22	Rental income from commercial rent (for example, research park rent)
23	Royalty received (unless pre 8 July 1999 contract)
24	Sale of premises including: <ul style="list-style-type: none"> <li>• commercial premises</li> <li>• commercial residential premises</li> <li>• new residential premises</li> </ul>
25	Sale of second hand goods (unless 1. sold at nominal consideration, being less than 50% of GST-inclusive market value or 2. donated)
26	Student Administrative Service Fees considered by ATO as not being directly related to a GST-free course supplied by the provider of the course. For example: <ul style="list-style-type: none"> <li>• Graduation dinner</li> <li>• Hire of academic dress</li> <li>• Student hall application fees</li> <li>• Application fees for processing overseas student's application that does not guarantee the applicant a right to receive a tertiary education course</li> </ul>

### Taxable Supplies (Supplies subject to GST at the rate of 10%) continued...

27	<p><b>Salary Deductions</b></p> <p>Salary deductions for taxable transactions such as:</p> <ul style="list-style-type: none"> <li>• salary packaging fees for salary sacrifice</li> <li>• Employee contribution for taxable supplies</li> </ul> <p>Exceptions include: The following deductions from salaries are Out-of-Scope of GST:</p> <ul style="list-style-type: none"> <li>• deduction of PAYG withholding tax from gross salaries</li> <li>• deductions from salary on behalf of external entities such as union fees, superannuation contributions, health fund contributions and gym fees. The University is merely acting as an agent by deducting fees and remitting them to service providers</li> </ul> <p>Deductions from salaries for GST-free supplies provided by the University are GST free. For example:</p> <ul style="list-style-type: none"> <li>• Child care fees</li> <li>• Staff Parking</li> </ul>
28	Sale of concert tickets
29	Sale of Intellectual Property
30	<p><b>Tea Funds</b></p> <ul style="list-style-type: none"> <li>• Employee's contribution towards costs of morning and afternoon tea.</li> </ul>
31	Scholarship (see Donation, Sponsorship, Scholarship, Prizes in the GST and Macquarie link located within the OFS homepage for exceptions)
32	Sponsorship (see Donation, Sponsorship, Scholarship, Prizes in the GST and Macquarie link located within the OFS homepage for exceptions)

**Input-Taxed Supplies** - No GST is levied on input-taxed supplies. In addition, unlike taxable and GST-free supplies, input tax credits (GST paid) cannot be claimed on creditable acquisitions (e.g., purchases) incurred in order to provide input-taxed supplies.

1	Student Accommodation provided by MQ to MQ students
2	Student Accommodation provided to MQ students through SAM as our agent (as per private ruling from ATO)
3	Accommodation to visiting academics or non students for long term stays (28 or more continuous days).
4	Interest on investments

**Exports** - Exports are GST-Free supplies. Therefore, no GST is levied. However, input tax credits (GST paid) may be claimed on creditable acquisitions incurred (e.g., purchases) in making supplies of exports.

1	<p>Export of goods made, for the consumption of goods outside Australia, are generally GST-free. However, exported goods are GST-free only if they are exported within 60 days from the earlier of:</p> <ul style="list-style-type: none"> <li>• receiving any payment; or</li> <li>• the sending of an invoice</li> </ul>
2	<p>Supply of services overseas will be GST-free if they are directly related to goods or real property situated outside Australia, for example:</p> <ul style="list-style-type: none"> <li>• Offshore courses (award or non-award) provided outside Australia are not subject to GST as they are not connected with Australia. A supply outside Australia, and the enjoyment of which also takes place outside Australia, is not connected with Australia and therefore not subject to GST. This will apply to courses delivered by: <ul style="list-style-type: none"> <li>➢ a non-Australian resident agent where students pay the agent and the agent pays the University, or</li> <li>University staff where students pay fees directly to the University itself</li> </ul> </li> </ul>
3	Grant from overseas bodies where research report is sent overseas

**Out-of-scope supplies** - These are supplies that are neither taxable, GST-free, input-taxed or exports. They are outside of the scope of the GST legislation. No GST is levied on these transactions. They include transactions that have no consideration or where the University is merely acting as an agent collecting money from students and handing it over to the service provider. For the latter, the amounts collected are not treated as revenue and the payments are not treated as costs. Receipts and payments are merely passing through a clearing account.

1	Appropriations (Where the grant money is not consideration for the supply. Refer to Research Grants in the GST and Macquarie link located within the OFS homepage)
2	Accommodation rent collected on behalf of homestay families for our overseas students
3	Compulsory OSHC premiums collected on behalf of Health Insurance Company.
4	Insurance claim settlements
5	Gift Vouchers. This is an exchange of currency and not a taxable supply. GST applies when the vouchers are redeemed
6	Internal Transactions between Division & departments/Offices & Sections within the University
7	Donations (refer to Donation, Sponsorship, Scholarship, Prizes in the GST and Macquarie link located within the OFS homepage)
8	Dividends
9	Proceeds from sale of share investments
10	Parking coupons sold to Division/Offices internally. (See Parking exceptions under GST-free parking)
11	Parking Fines
12	Prizes (refer Donation, Sponsorship, Scholarship, Prizes in the GST and Macquarie link located within the OFS homepage for exceptions)
13	NHMRC grant (Private tax ruling)
14	Visa application fees collected from students on behalf of Customs

### Goods and Services acquired by the University - Acquisitions

The GST treatment (GST Code) will depend on the type of acquisition made as outlined below:

<b>Types of Acquisitions</b>	<b>GST coding in our Financial Systems</b>
GST-free Acquisitions	Z
Creditable Acquisitions - MQ can claim back the GST paid (input tax credits)	C
Acquisitions made by MQ to provide Input-Taxed Supplies – MQ cannot claim back the GST paid on these acquisitions.	I
Acquisitions that are Out-of-Scope of GST – no GST has been paid and therefore no GST can be claimed by MQ.	NA

**GST-Free Acquisitions** - No GST is levied on these types of goods or services or other items acquired from suppliers by MQ (refer to Part A below). These are coded Z in the financial system. Note, however that refunds received from recipients of GST-free supplies made by MQ are coded F (refer to Part B below).

<b>PART A – Acquisition of GST-free supplies made by MQ – coded Z in the Financial System</b>	
1	Commission paid to local agents (who recruited overseas students for MQ ) who are not registered for GST

### GST-Free Acquisitions – Part A continued

2	<p>Most food for human consumption is GST free, for example:</p> <ul style="list-style-type: none"> <li>• Fruit</li> <li>• Vegetables</li> <li>• Meat</li> <li>• Fish</li> <li>• Bread</li> <li>• Cheese</li> <li>• Eggs</li> <li>• Milk</li> <li>• Sugar</li> <li>• Tea</li> <li>• Coffee</li> </ul> <p><b>BUT the following are not GST-free</b></p> <ul style="list-style-type: none"> <li>• Restaurant, catered or eat in food</li> <li>• Hot takeaways (roast chicken from supermarkets, prepared tea and coffee)</li> <li>• Bakery products (except bread is GST-free)</li> <li>• Confectionary, snacks, ice cream and biscuits</li> <li>• Alcohol and most soft drinks</li> </ul>
3	International flight tickets (e.g., Sydney to New York, New York to London, London to Sydney) purchased locally
4	International mail
5	International flight tickets purchased overseas (e.g., purchased in New York), to travel from New York to London-purchased overseas
6	Luxury car tax (threshold for luxury car for 2002/03 is \$57,009)
7	Payment of teaching carried out overseas
8	Medical consultation –Doctor’s fees
9	Medical gases, syringes (if administered as part of a GST-free medical service)
10	Vaccination (if administered as part of a GST-free medical service)
11	Freight for export of goods

	<b>PART B – Refunds received from recipient of GST-free supplies made by MQ – coded F in the Financial System</b>
1	<p>Refund of GST-free course fees, for example:</p> <ul style="list-style-type: none"> <li>• NECLTR EAPD course fees</li> <li>• Chiropractic Clinic Fees</li> <li>• Mia Mia Childcare fees</li> <li>• Anxiety Clinic Fees</li> </ul>
2	Refund of GST-free non commercial parking for staff
3	Refund of GST-free academic transcript

**Creditable Acquisitions** – GST is levied on these types of goods, services or other items acquired from suppliers by MQ and are then used by MQ to make taxable or GST-free supplies. MQ can claim back the GST paid as input tax credits.

1	<p>Cost reimbursements</p> <ul style="list-style-type: none"> <li>• Costs incurred by employees or an agent that are directly related to their activities as an employee or agent of Macquarie University. Note: Agents include non-employees such as visiting academics.</li> <li>• Costs incurred by employees (whether or not Macquarie University is the employee's employer) for an expense that the employee incurs, and the reimbursement is an expense payment benefit.</li> </ul> <p>Macquarie University is entitled to claim back any GST incurred for costs reimbursed to the abovementioned employees or agents provided that:</p> <ul style="list-style-type: none"> <li>• the supply to the employee or agent was a taxable supply, and</li> <li>• a tax invoice (only required for acquisitions greater than or equal to \$82.50 (GST inclusive) for the acquisition is obtained by that individual and provided to the University, and</li> <li>• the employee or agent is entitled to claim the GST in incurring the expense.</li> </ul>
2	Commission paid to local agents (who recruited overseas students for MQ ) who are

	registered for GST
3	Domestic travel airfares (unless purchased by a non resident while outside Australia)
4	Goods and services subject to GST (above \$82.50 GST inclusive and where a tax invoice has been received)
5	Goods and services incurred in earning rental income for accommodation provided by MQ to non- students for short term stays (27 days or less) such as cleaning, electricity, telephone and petty cash expenses like stationery, taxi fares Housing accounts include: <ul style="list-style-type: none"> <li>• 4115/2045 -IO Housing Non Student –short term</li> <li>• 4115/2048-MUC Housing Non Student –short term</li> </ul>
6	Imports Exception include: <ul style="list-style-type: none"> <li>• Imports of GST free or input-taxed goods</li> <li>• Goods that arrive by post with a custom value of less than \$1,000 or arrive by air or sea, a custom value of less than \$1,000 (and on which the customs duty is nil or insubstantial (\$50 or less))</li> </ul>
7	Insurance Exceptions include: <ul style="list-style-type: none"> <li>• Health Insurance –GST free</li> <li>• Overseas travel insurance-GST free</li> <li>• Motor Vehicle third party insurance (cannot claim input tax credit till 1 July 2003)</li> <li>• OSHC-University is merely acting as an agent between the insurance company and the students. Where the university is collecting premiums on behalf of the health insurance company from the students and paying premiums on behalf of the students to the health insurance company, the transaction is Out-of-Scope of GST</li> </ul>
8	Motor Vehicle purchase-on retail selling cost, cost of accessories, dealers delivery charges, insurance (up to the limit of LCT threshold of \$57,009 in 2005-06 unless (a) it is a commercial vehicle not designed for the purpose of carrying passengers, or (b) it is a motor home or campervan
9	Printing costs
10	Refund of NECLTR IELTS course fees – <b>account number 9404/2502/117</b>
11	Refund of conference fees
12	<b>Royalty payments</b> Royalty payments are usually subject to GST where the payees are residents, have an ABN and are registered for GST. Exceptions include: <ul style="list-style-type: none"> <li>• Author or artist has an ABN but not registered for GST – coded Z,</li> <li>• Author or artist overseas (but payment subject to withholding tax),</li> <li>• Author or artist is non-resident - GST code is NA but subject to withholding tax (refer to PAYG Withholding in the GST and Macquarie link located within the OFS homepage),</li> <li>• Author or artist does not have an ABN. The University does not deal with entities unless they have an ABN. For entities that do not have an ABN, payment can only be made without withholding when supplier provides signed ATO supplier's declaration</li> </ul>
13	<b>Sponsorship</b> Sponsorship with benefits such as advertising accruing to the sponsor is subject to GST.
14	Taxi fares - Can only claim for fares above \$82.50 GST-inclusive if you hold a valid tax invoice

**Acquisitions (creditable or otherwise) made by MQ to provide Input-Taxed Supplies** – MQ cannot claim back any GST paid for acquisitions used by MQ to make input-taxed supplies. For MQ, these will mainly be limited to fees incurred in earning interest on investment, e.g., bank charges and goods, services and other items acquired to make input-taxed supplies such as rental income from MQ students for residential accommodation.

1	<p><b>Accommodation</b></p> <ul style="list-style-type: none"> <li>• Goods and services incurred in earning student rental income for accommodation provided by MQ to MQ students such as cleaning, electricity, telephone and petty cash expenses like stationery and taxi fares. Acquisitions for accommodation should be differentiated by the following housing accounts: <ul style="list-style-type: none"> <li>➢ 4115/2044 - IO Housing Student Rental Account,</li> <li>➢ 4115/2047 - MUC Housing Student Rental Account, and</li> <li>➢ 1000/0092 - Herring Road Student Housing</li> </ul> </li> <li>• Goods and services incurred in earning student rental income for accommodation provided by MQ to MQ students through SAM as our agent (as per private tax ruling issued by ATO).</li> <li>• Goods and services incurred in earning student rental income for accommodation provided by MQ to MQ students through SAM as our agent (as per private tax ruling issued by ATO).</li> </ul>
2	Bank Charges
3	Visa Application Fees

**Out-of-Scope Acquisitions** - These are acquisitions of goods, services and other items made by MQ that are not taxable, GST-free or input-taxed. That is, they are outside of the scope of the GST legislation. No GST is levied on these transactions and as a result MQ cannot claim an input tax credit.

1	Cash Advances.(the initial payment of a cash advance)
2	Donations (refer to Donations and Bequests in the GST and Macquarie link within the OFS Homepage for more details)
3	Goods and services acquired before 1 July 2000
4	GST group member transactions (CMBF Ltd, MGSM, Access Macquarie and Australian Proteome Analysis Facility) Note: U@MQ joined the Macquarie University GST Group effective 1 Oct 2007.
5	Internal transfers between Divisions/Offices/Department/Sections
6	Motor Vehicle Mileage Allowance claim (based on cents per kilometre)
7	Motor Vehicle Registration
8	Motor Vehicle Licence Renewal
9	Motor Vehicle third party insurance. Note that motor vehicle third party insurance is subject to GST, but we cannot claim the input tax credit for premiums paid for policies prior to 1 July 2003.
10	Payment from suspense account
11	Petty cash recoup
12	Prizes (refer Donation, Sponsorship, Scholarship, Prizes in the GST and Macquarie link within the OFS Homepage for more details)
13	Purchase of shares
14	Refund of GST-free student course fees (Includes sponsored GST-free fees) in <b>1000/0289/906</b> Note that: <ul style="list-style-type: none"> <li>• The payment of the refund processed by accounts payable is charged against a clearing account 1000/0289/906. Hence the GST code is NA. Otherwise the GST code is F</li> </ul> The Student One System generates a reversal in the fees account - Debit fees (GST code F) and Credit the Clearing Account 1000/0289/906 NA
15	Refundable security deposit (includes refund of rental bond). Please note that forfeiture due to non- performance of an obligation or where the security deposit is applied as part or full consideration of a taxable supply attracts GST
16	Repayment of loan



### Out-of-Scope Acquisitions continued...

17	<p>Treasurer's Determination includes the following fees and charges for exemption from GST:</p> <ul style="list-style-type: none"> <li>• Building Application and zoning fees</li> <li>• Court fees</li> <li>• FID (Financial Institution Duty) (Abolished in July 2001)</li> <li>• Export Airway Bill fee</li> <li>• Freedom of Information charges</li> <li>• Land tax</li> <li>• Stamp duty (stamp duty on marketable securities abolished 1 July 2001)</li> <li>• FBT</li> <li>• Luxury Car Tax</li> <li>• Payroll Tax</li> <li>• Renewal of drivers licence</li> <li>• Superannuation contributions</li> <li>• Superannuation guarantee surcharge</li> <li>• Trade Gate charge</li> <li>• Wine Equalisation Tax</li> </ul> <p>Note: Determinations are updated regularly and, as a result may impact on which fees and charges will be included or excluded. Visit the Commonwealth Treasury Website at <a href="http://www.treasury.gov.au">http://www.treasury.gov.au</a> for the determination you require to ascertain whether a specific fee or charge is included in that determination..</p>
18	<p><b>Staff Salaries and Allowances</b></p> <ul style="list-style-type: none"> <li>• Payments to staff in the form of an allowance (not dependent on the level of actual costs) incurred) are out of the scope of GST. No input tax credits are available to be claimed back from the ATO for allowances paid.</li> </ul>
19	<p>Scholarship (refer Donation, Sponsorship, Scholarship, Prizes in the GST and Macquarie link within the OFS Homepage for more details)</p>
20	<p><b>Travel allowance/per diem.</b> No GST is applicable on payment of domestic or overseas travel allowance</p>
21	<p>Council Rates</p>
22	<p>Goods and services supplied by businesses that do not have an ABN but provide an ATO supplier's declaration to MQ that goods or service provided is a private recreational pursuit or hobby</p>
23	<p>Goods and services supplied by businesses that have an ABN are not registered for GST or not required to be registered for GST by ATO</p>
24	<p>Overseas speakers invited to address a conference in MQ. Must provide ATO's supplier's statement that the entity is not carrying on an enterprise in Australia</p>
25	<p>Overseas travel expenses incurred outside Australia, for example Taxi fares, hotel accommodation spent overseas</p>
26	<p>Water Rates</p>
27	<p>Sewerage and drainage</p>