

CHURCHES WIN CHANGES TO GST LEGISLATION

Combined action by 7 church denominations, has won significant changes to the GST legislation that will save churches hundreds of thousands of dollars a year.

In response to the Churches lobbying, the Federal Government has agreed to exempt all internal financial transactions from the GST by amending the *GST Act* to allow for the formation of a "GST religious group".

The significance of the new "GST religious group", is that it does not require the group to submit one consolidated Business Activity Statement (BAS). Instead, each member of the religious group will submit its own BAS. To qualify for membership in the GST religious group, an entity will need to be registered for the ABN and GST and be endorsed for income tax exemption (ITEC).

The amendment to the *GST Act* passed through the House of Representatives on 8 June but is yet to be passed by the Senate and may not become law until a few days before the GST commences in 1 July. However, the ATO is ready to assist with the registration of new GST religious groups.

In a letter to all dioceses, parishes, and organisations, the Primate, Archbishop Peter Carnley, states that approval will be requested for the Anglican Church in Australia to form a GST Religious Group. It is hoped that all parts of the Church will join the Group to ensure that all transactions – diocesan assessments, membership fees etc -- between the members of the religious group will be GST exempt.

Anglicare Australia took a leading role in the negotiations and will assist the General Synod Office to compile the list of members of the Anglican Church Religious Group. The letter from the Primate, which will be mailed to all parishes and organisations within the Church will include a response form to be returned by fax to the Anglican GST Assistance Project national office.

Archbishop Peter Carnley notes in his letter that "the creation of one national Anglican GST religious group will substantially reduce the administrative and compliance burden and deliver significant savings to the Church and to those in the Group.

"This is a great breakthrough and a generous concession that the Government has made to the Churches and their agencies," commented Russell Rollason, Executive Officer of Anglicare Australia. Mr Rollason and Ms Tracey Pilbrow, National Coordinator of the Anglican GST Assistance Project worked actively with the 6 other church denominations throughout the campaign to win GST exemption on all internal transactions.

Anglicare Australia is the national network of over 60 social service agencies of the Anglican Church. Anglicare members provide over \$300 million in assistance each year to needy families, youth and children, the aged, unemployed and homeless Australians.

“The Government never intended to collect revenue from the Churches through the GST, but there was very little understanding within the Government and the ATO of the unique structures of the churches. Our major task was to explain how churches worked and why the existing arrangements under the *GST Act* failed to meet the needs of the churches,” explained Mr Rollason.

“Most Anglican parishes and agencies across Australia have registered for the GST and qualify for membership in the Anglican Religious Group. Those parishes and organisations which have not registered may wish to reconsider their decision in the light of these new concessions. The ATO has assured us that late registrations will be fast tracked,” he said.

Contact: Russell Rollason Phone: 03 9328 3544 Mobile 0418 149 203

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