

5.7 GST POLICY

5.7.1 INTRODUCTION

From 1 July, 2000 Sales Tax legislation was removed and a 10% Goods and Services Tax (GST) applied to most products and services bought or sold.

This policy manual section provides the basis for identifying and processing Goods and Services Tax (GST) on sales of CSI products and services. This policy applies to all products and services produced by all Corrective Services business units from 1 July, 2000.

5.7.2 APPLICATION

Corrective Services Industries is charged GST on most purchases and will charge GST on relevant sales of products and services.

Under the GST legislation CSI is required to account for GST received and paid in a monthly return called a Business Activity Statement (BAS). As a result CSI may remit GST to the Australian Taxation Office and may receive a refund from that office. To receive or pay GST entities must be registered for GST. The registration number given to each company is referred to as the Australian Business Number (ABN). The CSI registered number is **(ABN 93 771 695 424)**.

For those suppliers who do not register for GST and do not provide an ABN CSI is required to withhold 48.5% from the purchase price. Whilst such cases are expected to be rare in these cases contact is to be made with the CSI Commercial Manager, to ensure appropriate protocols are followed.

The Department of Corrective Services and CSI have separately registered for GST with different ABN's. However, GST will not apply to any transaction between CSI and the Department because the Australian Tax Office has considered that both are within a Group for GST purposes. Consequently, GST does not apply to any sale by CSI to the Department.

GST will be calculated at 10% of the total price of the CSI product or service in accordance with [section 4.2](#) - Pricing Policy with the following two exceptions (i.e. where a GST does not apply):

- products and services which are deemed GST free
- products and services sold to the Department of Corrective Services

5.7.2.1 Sales to the Department of Corrective Services

As indicated above sales to the Department of Corrective Services are not subject to GST. CSI and the Department of Corrective Services are grouped for GST reporting and as a consequence, the transactions between CSI and the Department of Corrective Services are not recorded on the monthly Business Activity Statement (BAS).

Therefore no GST is shown on sales or transactions between the Department and CSI, even if these are taxable products or services.

This only applies to sales to the Department of Corrective Services.

5.7.2.2 GST Free Products and Services

This represents a complex area of GST tax law. It is not the intention of this policy manual section to address, in detail, GST free products and services.

For CSI purposes only Food Services is a relevant GST free area the effect of which is:

Food Item	Tax status if sold to the Department of Corrective Services	Tax status if sold to any other customer
Breakfast rations such as milk, cereal, bread, butter, coffee and bread spreads (eg Vegemite).	GST free	GST free
Prepared sandwiches for lunch.	GST free	Taxable
Prepared meals.	GST free	Taxable
Prepared desserts.	GST free	Taxable

5.7.2.3 GST exemptions

Apart from the Department of Corrective Services, there are no GST exempt customers. If a product or service is taxable (ie attracts GST) then GST is charged to that customer.

5.7.3 TAX INVOICES

All CSI sales will be accompanied by a tax invoice which complies with the relevant legislation. Tax invoices, ([Figure 5.4](#)) are to include the following:

- the words "Tax Invoice";
- the CSI ABN which is 93 771 695 424;
- where the invoice is for a value greater than \$50 (before the addition of GST), the name and address of the customer (or name and ABN of the customer);
- amount of the GST as a separate amount for each product or service supplied on the invoice.

5.7.3.1 Credit Adjustment note

If a CSI tax invoice requires amendment for any reason, then this amendment must be provided to the customer on a Credit Adjustment Note which provides:

- the reason for the adjustment; and
- the words "Adjustment Note"; and
- the CSI ABN which is 93 771 695 424;

Credit adjustment note advice will be provided through the customer complaints procedure to the Credit Controller who prepares the credit adjustment note.

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