

# OWE TO A GST

- Dennis Rebbechi

I was going to write an ODE but maybe the above wording is more appropriate!

Ric Tunney recently gave, via *Ozcavers*, an excellent explanation of how GST will effect Southern Tasmania Cavers and non-profit organisations. He came up with the conclusion that by registering an organisation, all that is achieved is to move the GST from the membership as a group to the individual members.

Over the last few months your erstwhile Treasurer has similarly been investigating the problems and was relieved to establish that as Ric points out, the threshold for registration of non-profit organisations is \$100,000 and not \$50,000 as is widely believed. For ACKMA this means that currently we would be slightly below the threshold. Conference receipts are usually spread over two financial years and there will be no compulsion for ACKMA to register at the moment.

The problem is of course, that our costs will increase and will be borne by the members whether directly or indirectly by reduction of services provided. From an investigation of the accounts paid over the last twelve months it is obvious that almost every last cent we have spent will be subject to GST. Under these circumstances, there is an argument for registering and simply passing on the increase to the individual members, since almost all funds required are raised from Membership Subscriptions and Conference Fees.

In most organisations the position of Treasurer is honorary, meaning no dough is paid and what you see is what you get. This may well be the reason behind the higher threshold for non-profit organisations. Perhaps the Tax Office realises that such Treasurers are mostly not fully qualified Accountants and have other pressing problems like keeping the bats from the door and feeding the family. Despite the suggestion that the whole process will be simple, your Treasurer, who can understand a Balance Sheet, shudders when he

looks at the "Gone with the Wind" instructions on filling out his annual Tax Return.

At the moment, the most time consuming activity in ACKMA falls at the door of our Publications Officer, Kent Henderson, who does a fantastic job to produce four quality Journals each year. However this is a labour of love, and I know Kent thoroughly enjoys the task. The Treasurer's job has become quite time consuming, as our membership has increased greatly over the years. This involves the necessity to up-date records almost on a weekly basis, issue invoices and follow up reminders to members plus the legal requirement to produce Annual Returns. Prior to incorporation, a paper bag resume at Conferences each second year was deemed sufficient.

If ACKMA were to register it would create significant additional work for the Treasurer, whoever he/she may be, on a quarterly or even monthly basis. There is a legal requirement to submit returns by a due date. A visit to Jenolan or a weekend with Kent will not qualify as an excuse for a late return! I tend to agree with Ric that registration simply shifts the cost from the group to the individuals because it has to be paid by someone.

A further complication of registration would arise in that the vast majority of our funds are raised from subscriptions paid in July and August each year. This means a substantial pay out of GST without the opportunity of offsetting against GST charged to us. For the rest of the year we would be chasing refunds for GST charged to ACKMA. I suppose the ATO would pay these instantly? There is also the question of GST on the financial benefit to Life Members who do not pay fees. This question is yet to be clarified.

Over the next few months, I will be discussing all aspects with the Executive Committee so that a firm recommendation can be tabled at the 2000 Annual General Meeting at Buchan next June.