

Tax Information for Landcare groups

AUSTRALIAN BUSINESS NUMBER - ABN

The tax situation for landcare groups varies from group to group. You should get professional advice from an accountant on all tax matters. Some important points to consider are discussed below. An Australian Business Number is the identifier for all business dealings with the Australian Taxation Office and is essential for any government funding of landcare programs. To register for an ABN, your organisation can contact the Australian Tax Office (ATO) for registration forms and information or can visit the internet at www.ato.gov.au. Groups may ask councils or other incorporated organisations to manage funds on their behalf, in which case an ABN is unnecessary.

GOODS & SERVICES TAX - GST

The GST is a broad-based tax on most goods and services. All non-profit organisations with an annual turnover of \$100,000 or more must register for the GST. For those smaller organisations, including many landcare groups, registration is optional. Your accountant would be the best person to advise on registering. Registration forms and information can be obtained from the ATO or from the internet at www.ato.gov.au. If your group is registered for the GST, it must complete a Business Activity Statement (BAS) on a regular basis and can claim input tax credit on the GST paid for goods and services purchased to conduct its activities. The ATO has published "The New Tax System, How to keep your business records now and in the future" and "The GST and Business Skills, An Action Guide" along with a software package "E-Record" to assist in accounting with GST.

EMPLOYMENT

A landcare group may choose to employ casual labour for its projects. This can be done in several ways. You can employ a person or business with an ABN number as a contractor. GST must be paid if the supplier is registered. Often, if funding is available for larger projects, the work can be contracted out. Casual labourers can be employed who do not have ABN numbers. If this is the case each must fill out a "Statement by a supplier, reason for not quoting an ABN to an enterprise" form. These are available at any newsagent. The person employed must complete the form and tick the last box "no reasonable expectation of profit or gain". The landcare organisation must keep the form on file and present it to the ATO upon request. The group may choose to hire a coordinator to oversee its activities. In this case the landcare group must register for Pay As You Go (PAYG) for withholding tax.

SUPERANNUATION

As with any employer, a landcare group must pay Superannuation Guarantee where applicable. Wages of coordinators and casual labourers above \$450 in a month are subject to the Superannuation Guarantee. If you are paying "top-up" to Community Development Employment Projects (CDEP), you will have to contribute superannuation if that amount plus the CDEP is greater than \$450 per month. The contribution is calculated on the wage less CDEP. Exemptions to superannuation payments include persons under 18 years working not more than 30 hours per week and those 70 years and older. At present the rate is 8% of the employee's notional earnings. For more information you can call the Superannuation Helpline 131020.

For more information on all tax related matters contact the ATO or visit www.ato.gov.au