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**Gary Humphries MLA**

Australian Capital Territory

2000-01 BUDGET

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# GST SUPPORT FOR COMMUNITY SECTOR

The ACT Government will top up funding to community sector organisations for the provision of services by 10% to offset the GST, Treasurer, Gary Humphries, said today.

Mr Humphries said that the ACT Government will not reduce payments to recover embedded wholesale sales tax (WST) savings, and the commitment to top up funding will ensure a stable transition for those groups through the GST implementation.

The policy will apply to all community-sector groups funded by the ACT Government for service provision except Calvary Hospital and non-Government schools.

“The top-up of 10% is simply a cash-flow issue for the Government. The ACT may then claim that cost from the Australian Taxation Office as an input credit.

“To be eligible to receive the funding top-up, a community organisation must be GST registered and have an ABN number. To guarantee an ABN number by 1 July, groups must register with the ATO before the end of May.

“Failure to have an ABN number will lead to a requirement on the Government to withhold up to 48.5% of the funds provided.

“This commitment by the Government will ensure there is no loss of service provided by this sector because of the implementation of the GST.

“This is a commitment which exceeds that presently being given in other states and territories, and demonstrates this Government’s commitment to the value of services provided by our community sector. With the offsets of WST savings, this policy commitment will provide a degree of certainty and stability for those service providers, and their clients.”

The savings foregone by this initiative in 2000-01 add up to \$517,000, with most of that benefit flowing to groups funded by the Department of Health and Community Care and the Department of Education and Community Services.

## Statement Ends

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