

## **Bayside City Council Case Study**

### **Getting Bayside's Fees & Charges GST compliant - the easy way!**

**Cameron Ross is the Financial Accountant at Bayside City Council**

Q - Can you tell us what system or tool you were using to manage fees and charges before implementing the LG Solutions F&C application?

**Cameron** – An excel spreadsheet that used to be broken up and sent around council for manual update and subsequent collation was used for 10+ years.

Q- What was it about the previous spreadsheet based system that prompted you to look for something better?

**Cameron** – We weren't actively looking for something better for our fees and charges process until we were shown the benefits of a software solution and came to realise how much it would improve efficiency, transparency, accountability and would eliminate any version control issues of Excel.

Q – How did you handle the GST aspects of fees and charges?

**Cameron** – We would have to engage accounting firms to do a manual review of fees and charge codes and GST applicability at significant cost.

Q – Did you seek help from the ATO or advisors?

**Cameron** – Primarily advisors, or internal investigations but this meant that we weren't spending that time concentrating on the more critical operating issues.

Q – You took up the Genesis Accounting GST AddIn which was a bolt on addition to the LG Solutions F&C application. Why did you do this?

**Cameron**- We wanted the certainty that our fees and charges were correctly classified for GST (whether taxable, exempt or GST Free) which the AddIn provided, as well as having reference to ATO rulings should we be required to support our position to members of the public.

Q – What was the result of the matching process?

**Cameron** – During implementation of the AddIn, the matching process highlighted several GST classification inconsistencies which were classified as 'mismatches' and some fees were classified as 'queries for discussion' where Genesis needed to obtain more information about a fee to properly match it to an ATO ruling.

Q – What GST information do you see once the implementation is finished?

**Cameron**– On the LG Solutions F&C portal there is a GST AddIn tab for every fee. The implementation process brings into each tab extracts from the ATO rulings including whether the fee is taxable, exempt or GST Free; some notes about the fee and its classification; relevant GST legislation

references etc. Everything we need to know about the GST aspects are easy to find and review and Genesis keep it up to date if the ATO change their opinions, legislation changes, case law etc.

Q – What else do you get with the AddIn as part of the annual subscription?

**Cameron** – Unlimited access to Genesis Accounting on any F&C issue, particularly useful at budget time because they do a GST review of all our new fees. They identified there is uncertainty about GST on our immunisation fees so they are lodging an ATO ruling for us to seek clarification. For any other non F&C GST or FBT issue we get 3 hours each year for free. We used this to obtain advice on whether GST was payable on a major sporting contribution and they send us a list of work they have done for other councils and we can pick something out of that list.

### TYPICAL GST ADDIN TAB FOR A FEE

**GST AddIn ...**

**Occupation fee per sq.metre/week** [Road occupation permit (eg. hoarding permit)]

<p><b>ATO Private Ruling Identifier</b> <input type="text" value="1049 - Fee for hoardings and structures permit"/></p> <p><b>SID</b> <input type="text" value="1049"/></p> <p><b>GST status per ATO rulings</b> <input type="text" value="Exempt"/></p> <p><b>CR Designation</b> <input type="text" value="VIC"/></p> <p><b>Ruling topic</b> <input type="text" value="approval / permit / licence"/></p> <p><b>Ruling Subtopic</b> <input type="text" value="hoarding"/></p> <p><b>Tax, Fee or Charge description</b> <input type="text" value="Fee for hoardings and structures permit"/></p> <p><b>Explanation and notes about the Tax, Fee or Charge</b> <input type="text" value="Council may charge a fee for hoarding and structures permit applications. The fee may be charged based upon both time of placement and per square metre per month or otherwise. The fee also includes fees for gantry and scaffolding permit applications. The fee may also be charged based upon area enclosed by"/></p> <p><b>GST status per ATO rulings (consolidated)</b> <input type="text" value="n/a"/></p> <p><b>ATO Private Ruling Reference</b> <input type="text" value="This fee is exempt under subsection 81-10(1) as it is covered by subsection 81-10(4)."/></p>	<p><b>GST Integrity Check</b></p> <p>2017/2018 <span style="color: green;">OK</span></p> <p>2018/2019 <span style="color: green;">OK</span></p> <p>2019/2020 <span style="color: green;">OK</span></p> <p><b>SID allocation comment</b></p> <div style="border: 1px solid #ccc; height: 60px; width: 100%;"></div>
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