

Appendix A: GST revenue measures since the 2002-03 Budget

GST Determination to make Languages Other Than English courses provided by ethnic schools GST-free

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office:	-3.0	-1.0	-1.0	-1.0

The Government will make State or Territory recognised Languages Other Than English (LOTE) courses provided by non-profit ethnic schools GST-free, with effect from 1 January 2002.

Currently, LOTE courses provided by ethnic schools are taxable supplies under the GST because the schools providing them do not qualify for GST-free treatment. The Minister for Education, Science and Training will make a determination under existing legislative provisions of the *A New Tax System (Goods and Services Tax) Act 1999* to make LOTE courses GST-free.

See also the related expense measure titled *Languages Other Than English courses provided by ethnic schools – variation in Budget Balancing Assistance as a result of making courses GST-free* in Budget Paper No. 2.

Application of GST to Compulsory Third Party insurance

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office:	-11.3	-3.8	-3.9	-4.1

The Government will amend the GST law to ensure that the original policy intent of Compulsory Third Party insurance is met by:

- ensuring that GST registered taxpayers are able to claim input tax credits on Compulsory Third Party insurance policies that commence on or after 1 July 2003, including those paid before 1 July 2003;
- allowing Compulsory Third Party insurers, making payments under a settlement sharing arrangement, to claim a decreasing adjustment on payment of settlement amounts; and

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- allowing Compulsory Third Party insurers operating no-fault and nominal defendant schemes access to a decreasing adjustment on payment of settlement amounts to people injured as a result of a motor vehicle accident.

Government response to the Report of the Inquiry into the Definition of Charities and Related Organisations

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office:	0.0	-1.0	-1.0	-1.0

On 29 August 2002, the Government announced its response to the *Report of the Inquiry into the Definition of Charities and Related Organisations*. As part of that response, the Government has decided to enact a definition of a charity for the purpose of administration of Commonwealth laws, expected to take effect from 1 July 2004.

This measure is estimated to have a small impact on GST revenue.