


ST 2076 - SALES TAX : PUBLIC AUTHORITIES

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TAXATION RULING NO. ST 2076

SALES TAX : PUBLIC AUTHORITIES

F.O.I. EMBARGO: May be released

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REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1078612	PUBLIC AUTHORITIES	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT SUB-ITEM 78 (ii) FIRST SCHEDULE

PREAMBLE Sub-item 78(ii) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act operates to exempt from sales tax goods for use and not for sale by a public authority constituted under any law of the Commonwealth or of a State or Territory for the purpose of carrying out any or all of the functions ordinarily carried out by a municipal, shire or district council which is entitled to exemption under sub-item 78(i) for goods for its use and not for sale.

FACTS 2. Municipal, shire and district councils, on occasions delegate some of their functions to specially formed bodies, e.g. committees of management, trusts, boards and regional associations (e.g. tourist associations). The types of functions delegated include the caring, controlling and managing of Crown lands and the promotion, management and administration of council-owned facilities such as recreation and sports grounds and entertainment halls. The functions are ordinary functions of local government councils. The committees, etc. are constituted either under the authority of a specific provision of a statute such as a State Lands Act or a State Local Government Act or under the authority of the general provisions of such an Act. The operations of the committees, etc. are subject to close supervision by the council. This is evidenced by such factors as council representation on the committee, etc. influencing decision-making and council supervision and approval of budgeting, books and accounts and expenditure.

RULING 3. In Halsbury's Laws of England it is stated that a public authority is a body, not necessarily a county council, municipal corporation or other local authority, which has public or statutory duties to perform, and which performs those duties and carries out its transactions for the benefit of the public and not for private profit. That definition applies for the purposes of sub-item 78(ii).

4. It follows, therefore, that where a committee of management, trust, board, etc. is constituted under a specific Act or is brought into existence under a general power in an Act such as the Local Government Act and carries out local government functions, it will qualify as a public authority for the purposes of sub-item 78(ii). The fact that such an

organisation may have its objects and functions specified in its own constitution or, where it is incorporated, in its memorandum and articles of association, would not necessarily disqualify it from being covered by sub-item 78(ii) provided they were essentially the objects and functions directly delegated and appointed by the relevant local government body, etc. to be performed on its behalf.

COMMISSIONER OF TAXATION
18 May 1984