



A New Tax System (Goods and Services Tax) (Simplified Accounting Methods – Government Entities Selling Food in Prisons and Detention Institutions) Determination 2025

I, Ben Kelly, Deputy Commissioner of Taxation, make the following instrument.

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Ben Kelly **DRAFT ONLY—NOT FOR SIGNATURE**
Deputy Commissioner of Taxation

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1 Name

This instrument is the *A New Tax System (Goods and Services Tax) (Simplified Accounting Methods – Government Entities Selling Food in Prisons and Detention Institutions) Determination 2025*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under paragraph 123-5(1)(a) of the Act.

4 Definitions

Note: A number of expressions used in this instrument are defined in section 195-1 of the Act, including the following:

- (a) creditable acquisition;
- (b) creditable importation;
- (c) entity;
- (d) government entity;
- (e) GST-free;
- (f) GST turnover;
- (g) input tax credit;
- (h) net amount;
- (i) registered;
- (j) retailer;
- (k) simplified accounting method;
- (l) taxable supply;
- (m) tax period.

In this instrument:

Act means the *A New Tax System (Goods and Services Tax) Act 1999*.

sub-entity means a branch or other similar organisational unit (however described) within a government entity that:

- (a) is not a separate entity to the government entity;
- (b) is not registered; and
- (c) can be separately identified by reference to the nature of the activities it carries on or by its location.

trading stock includes anything produced, manufactured or acquired that is held for purposes of manufacture, sale or exchange in the ordinary course of carrying on an enterprise.

5 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

6 Kinds of retailers that may choose to use the simplified accounting method

- (1) A government entity may choose to use the simplified accounting method provided in either section 7 or 8 to work out its net amount for a tax period in respect of supplies and acquisitions made through a sub-entity, if:
 - (a) the government entity is a retailer;
 - (b) the government entity is registered;
 - (c) through the sub-entity, the government entity makes both taxable and GST-free supplies of food at the same premises in the course or furtherance of carrying on the government entity's enterprise;
 - (d) the sub-entity's main activity is selling food and it mainly sells the food in an unchanged form;
 - (e) the sub-entity's GST turnover does not exceed \$2 million, where the GST turnover is worked out as though the sub-entity were a separate entity;
 - (f) the sub-entity is located in a prison or an institution where people are lawfully detained; and
 - (g) the sub-entity does not have point-of-sale equipment that can identify and record:
 - (i) each separate supply as being a GST-free or taxable supply; and
 - (ii) the total amount of its GST-free sales and the total amount of its sales.
- (2) The government entity must, in its notice to the Commissioner of its choice to use the simplified accounting method under section 123-10 of the Act, specify which:
 - (a) sub-entities it will apply the method to; and
 - (b) method it has chosen.
- (3) The government entity must use the same simplified accounting method for all sub-entities that it has chosen to apply the method to.

7 Method A

- (1) For the purposes of subsection 6(1), the net amount for a tax period under the simplified accounting method in this section (Method A) is worked out using the following formula:

GST minus Input tax credits

where:

GST for the tax period is the amount worked out using the following method statement:

Step 1 – Work out the total consideration provided for trading stock purchases for the sub-entity for the tax period.

Step 2 – Work out the total consideration provided for trading stock purchases that are creditable acquisitions for the sub-entity for the tax period.

Step 3 – Divide the step 2 result by the step 1 result.

Step 4 – Multiply the step 3 result by the total consideration received for sales made by the sub-entity for the tax period.

Step 5 – Multiply the step 4 result by one-eleventh.

Input tax credits for the tax period is the sum of all of the input tax credits to which the sub-entity is entitled for the creditable acquisitions and creditable importations that are attributable to the tax period.

- (2) However, the net amount for the tax period may be increased or decreased if the government entity has any adjustments for acquisitions relevant to the sub-entity for the tax period.

8 Method B

- (1) For the purposes of subsection 6(1), the net amount for a tax period under the simplified accounting method in this section (Method B) is worked out using the following formula:

GST minus Input tax credits

where:

GST for the tax period is the amount worked out using the following method statement:

Step 1 – Work out the total consideration provided for trading stock purchases for the sub-entity for the relevant 4 week sample period (as defined in this section).

Step 2 – Work out the total consideration provided for trading stock purchases that are creditable acquisitions for the sub-entity for the same 4 week sample period used in step 1.

Step 3 – Divide the step 2 result by the step 1 result.

Step 4 – Multiply the step 3 result by the total consideration received for sales made by the sub-entity for the tax period.

Step 5 – Multiply the step 4 result by one-eleventh.

Input tax credits for the tax period is the amount worked out using the following method statement:

Step 1 – Multiply the step 3 result in the GST method statement in this section by the total consideration provided for trading stock purchases made by the sub-entity for the tax period.

Step 2 – Multiply the step 1 result by one-eleventh.

4 week sample period means:

- (a) for tax periods beginning on or after 1 July and ending on or before 31 December in a year, any continuous 4 week period that occurs between 1 June and 31 July in that year; or
- (b) for tax periods beginning on or after 1 January and ending on or before 30 June in a year, any continuous 4 week period that occurs between 1 December in the previous year and 31 January that year.

Schedule 1—Repeals

A New Tax System (Goods and Services Tax) Act 1999 Simplified GST Accounting Methods Determination (No. 28) 2015

1 The whole of the instrument

Repeal the instrument

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