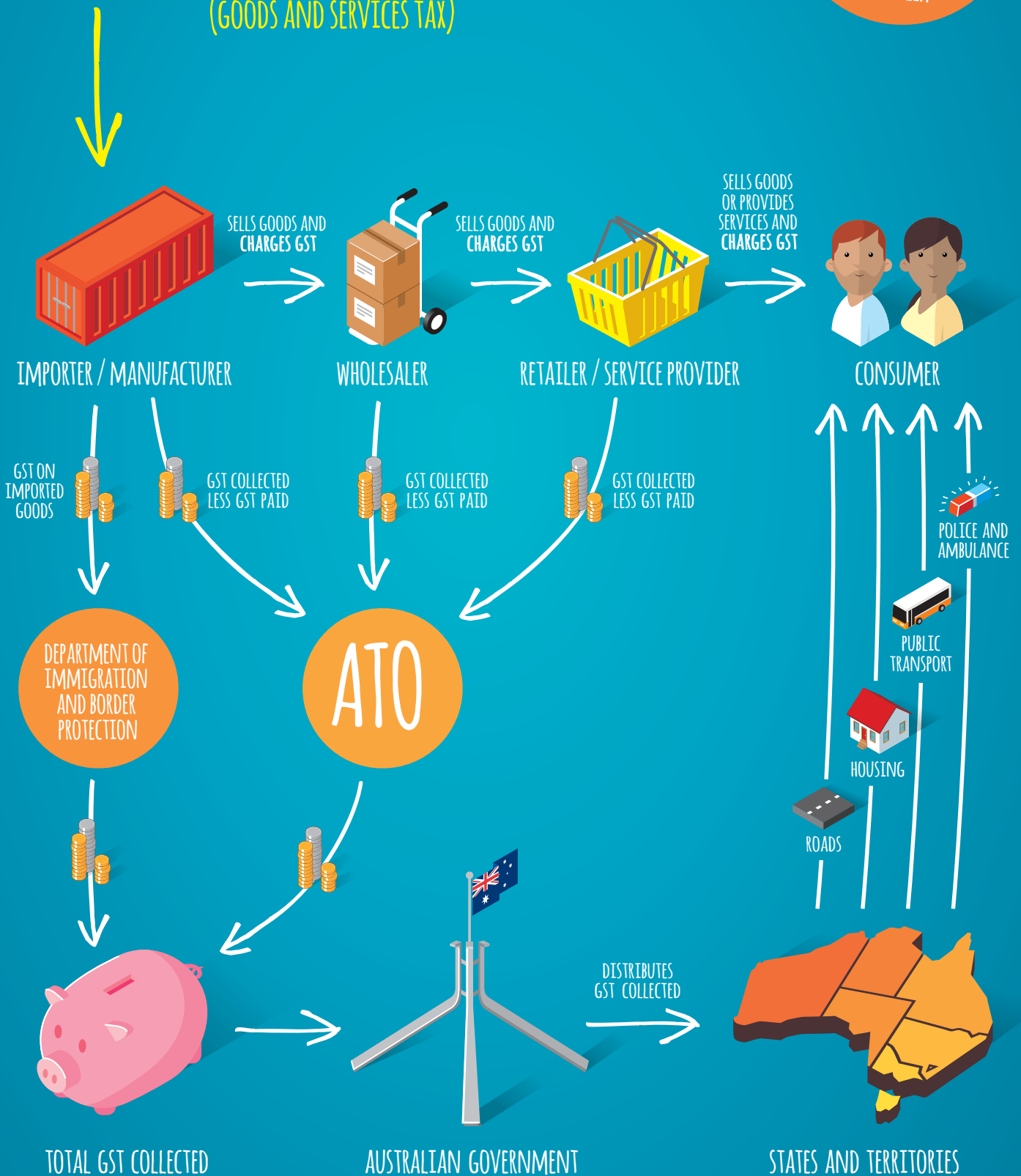


HOW GST WORKS

(GOODS AND SERVICES TAX)

10%
ON MOST GOODS
AND SERVICES SOLD
OR CONSUMED IN
AUSTRALIA



GST EXAMPLE

Total value of final sales	\$110
GST on final sales value ($\$110 \div 11$)	\$10
Total to be remitted to the ATO	\$10

ATO

LOCAL WOOL FARMER

Sells wool to clothing manufacturer for \$10 + GST \$1



GST paid	\$ -
GST Collected	\$1
Payable to ATO	\$1



CLOTHING MANUFACTURER

Buys from local wool farmer for \$10 + \$1 GST
Sells jumper to retailer for \$20 + \$2 GST = \$22



GST paid	\$(1)
GST collected	\$2
Payable to ATO	\$1



RETAILER

Buys from clothing manufacturer for \$20 + \$2 GST
Sells to consumer for \$100 + GST \$10



GST paid	\$(2)
GST collected	\$10
Payable to ATO	\$8



CONSUMER

Buys from retailer for \$100 + GST \$10 = \$110

Total GST received by the ATO

