



Spectronics
Inclusive Learning Technologies®
Expertly supporting your choice

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AUSTRALIA

Goods and Services Tax (GST) Statement

In response to frequent requests for information regarding the Goods and Services Tax (GST) and the impact it will have on the goods and services, which this company supplies, the following information is offered:

Our business is registered for GST. The company's **ABN is 15 011 046 585**

The majority of products supplied by Spectronics prior to the introduction of the GST are, and have been, exempt from sales tax. For those of you who are unaware, there was no sales tax on software or products designed specifically for people with disabilities. Consequently there will be no cost savings associated with the abolition of sales tax with the introduction of the GST for these products. The few products that incurred sales tax included: training videos sold separately, and some computer hardware peripherals such as track balls and keyboards, which were not specifically designed for people with disabilities.

Spectronics has sought clarification, and according to a GST Private Ruling for Spectronics by the Australian Taxation Office, dated 29 March 2000, the following answers were given to our questions:

1. Which products in the Spectronics range are GST-free?

The supply of products in the Spectronics range will only be GST-free if the supply is covered by section 38-45 of the A New Tax System (Goods and Services Tax) Act 1999 (the GST Act).

2. Is the supply of educational software applications to schools GST-free?

No, the supply of the educational software applications to schools is NOT GST-free.

The supply is not considered to be a supply of `course materials` for the purpose of section 38-95 of the GST Act.

3. Is the supply of educational software applications to other bodies GST-free?

No, the supply of the educational software applications to hospitals, community organisations, rehabilitations services, libraries and private individuals is not GST-free. The supply will be a taxable supply if the requirements of the section 9-5 of the GST Act are not met.

Section 38-45 provides that the supplies of medical aids and appliances are GST-free where:

- a)** The thing supplied is covered by Schedule 3 (medical aids and appliances), or specified in the regulations (no regulations have been issued on this matter); and
- b)** It is specifically designed for people with an illness or disability, and is not widely used by people without an illness or disability.

...for your information, the following relevant items are listed in Schedule 3:

- Item 8 software programs specifically designed for people with disabilities.
- Item 9 printers and scanners specifically designed for software and hardware used by people with disabilities.
- Item 10 switches and switch interfaces
- Item 11 mouth/head sticks/pointers
- Item 12 alternative keyboards
- Item 105 motorised wheelchairs... and other goods for the carriage of people with disabilities.
- Item 106 accessories associated with wheelchairs, motorised wheelchairs
- Item 107 battery charges for wheelchairs...

The supply of spare parts is also GST-free under subsection 38-45(2) of the Act if it is specifically designed as a spare part for a GST-free medical aid or appliance.

However, a supply of a medical aid or appliance and spare parts that is GST-free under subsections 38-45(1)&(2) of the Act, is NOT GST-free if the supplier and the recipient have agreed that the supply, or supplies of a kind that include that supply, not be treated as GST-free supplies.

A full copy of the above ruling will be made available upon request.

Where there is any doubt (as might be raised by a customer) we will seek clarification from the Australian Taxation Office and charge accordingly.

As from 1st July 2000, our price lists, both printed and on our web site (www.spectronicsinoz.com) will have any GST component listed separately.

All goods dispatched and services offered after 30 June 2000 will be invoiced with any necessary GST components added. Invoices will indicate for each item whether they attract a GST or are exempt, and the total GST will be included with totals at the bottom right hand corner of the invoice.

Any enquiries or clarification regarding GST can be addressed to this office at the above contact options.

Yours sincerely

Michael O'Leary
Managing Director