

Legal Aid won't suffer under GST: Tambling

The Coalition's goods and services tax (GST) won't affect legal aid, according to Senator Grant Tambling.

Senator Tambling was responding to letters seeking clarification of the legal aid position in relation to the proposed GST written by the President of the Society, John Stirk.

He said practitioners who accept legal aid briefs will have to charge GST on the completed work.

"It is erroneous to suggest that the Legal Aid Commission's funding would be reduced by 15 per cent with the imposition of GST on lawyers' fees under contract to the [Legal Aid] Commission," Senator Tambling said.

"Lawyers' services to the Commission will attract 15 per cent GST which the commission will have to pay in the first instance.

"However, a full rebate will be available to the Commission for all business inputs and this will include

outside legal advice."

Senator Tambling said practitioners, in the normal course of business, will also be eligible for a GST rebate, paid on all business inputs.

He was not specific about what proportion of GST would be rebatable.

Mr Stirk said that even though the Legal Aid Commission would be entitled to GST rebates, the proposed regime would almost certainly create cash-flow problems.

"Cash-flow problems will apply to firms, as well," he said.

"The notion of 'taxable periods,' which vary from one to six months depending upon the dollar value of turnover, means that firms and the Commission will be 15 per cent worse off for the duration of the taxable period as well as for the duration of the time lag involved in the provision of a rebate," he said.

Businesses with a turnover of more

than \$30,000 per annum will be required to register for GST purposes.

Businesses with a turnover below \$24 million and above \$250,000 per annum will be required to lodge quarterly GST returns.

Mr Stirk said although he was pleased to hear that Legal Aid would be eligible for a rebate on GST, the system still appeared clumsy, particularly in light of the Coalition's claim that it could trim \$10 million from legal aid nationally in administrative savings.

He said the proposed system implied that extra clerical staff would be required to monitor GST payments and apply for rebates.

"Surely it would be far more simple to exempt the legal aid commissions from this tax and save everyone the administrative burden of processing claims and checking rebates," Mr Stirk said.

Annual General Meeting

The 1992 Annual General Meeting of the Law Society will be held at 5.00pm on Friday 28 August 1992 in the Jury Muster Room at the Supreme Court in Darwin.

Nomination and proxy forms on page 8.

Financial members are eligible to vote.