

The winds of change...



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The winds of May and June in Canberra often bring a flurry of activity in response to the parliamentary agenda. The Federal Budget announced on 9 May was more akin to a zephyr rustling a few leaves. There is little doubt that further policy and funding will be announced during the year through press releases and ministerial speeches and that monetary and taxation policy will continue to be of concern to our sector. An extract of the Budget report prepared by ALIA National Office staff is included in this issue.

Members will by now have received or be aware of the report prepared by the Association and PricewaterhouseCoopers on *The New Tax System: the goods and services tax and library and information services* and on which we have had very positive feedback. One area which continues to require work to be done is inter-library lending.

Early in May the Association employed Libraries Alive! to conduct an informal review to establish what libraries intend to do about their inter-library loan charges beyond 1 July 2000. This was done by polling some representative libraries in all sectors. One characteristic of the review was the frankness of the respondents, who knew that they would not be quoted on these sensitive issues. It is possible, however, to make the following general observations without breaching confidentiality:

- No organisations except Commonwealth government bodies made directives on pricing to their libraries.
- Commonwealth government agencies instructed to pass on less than the full ten per cent GST were not in a position at this stage to make public the basis of their GST calculations as they relate to ILL charges.
- There seems to be a general expectation amongst libraries that the ACLIS recommended schedule of charges (and therefore the value of ALIA vouchers) will remain 'as is', at least in the short term, with ten per cent GST added.
- ALIA is expected to provide a lead in 'what to do' about ILL charges and GST.
- Nobody really knows what impact the GST will have on inputs to ILL supply costs.
- Voucher use is likely to decline.

There are two urgent issues to be resolved. The first is substantiating the retention of the current charges. It is unlikely that there will be any per centage savings from

the removal of input taxes. The Association is pursuing the best way to justify this pricing policy in terms of ACCC requirements. The second is the GST applying to contra deal arrangements for interlibrary lending such as the established gratis networks operating for the purpose of sharing resources within a particular sectoral group. Under the legislation the GST is payable even though no charge is made for the transaction. The Association is preparing a request for advice from the Australian Tax Office (ATO) through their new 'reply-in-5' e-mail services on these established contra arrangements being a GST-free supply. The e-mail service approach is more effective as the response will be a lot quicker than a private ruling request. The ATO e-mail advice is meant to be a shortened version of a private ruling and is binding provided all the relevant information is given. However, as is the case with a private ruling, if some important information regarding the situation is omitted, the advice will not be binding on the ATO.

A further matter is to review the Inter-lending and Document Delivery Charges established by ACLIS and effective from 1 July 1997. As part of the ACLIS wind up process the ACLIS National Council resolved that the ALIA General Council establish an expert advisory group for document delivery services and standards, to continue the work already under way. General Council accepted this resolution and has ensured that the membership of the group crosses over with that of the National Resource Sharing Working Group and Policy Committee. The group is currently focussing on matters referred by ACLIS and primarily on the review and promulgation of a new scale of charges through an independent arms-length mechanism. There is general support from respondents to our informal review for a review of the recommended schedule of charges and that there must be extensive consultation within all sectors of the profession. The ALIA Board of Directors will consider the establishment of a mechanism to commence the review later this year so that new charges can be in place for the 2000/2001 financial year.

By the time this issue is delivered to members the Association will have in place two new key components of our governance — the inaugural meetings of the first elected Board of Directors on 24–25 May and the National Policy Congress on 25–26 May. Reports on both of these will be in the next issue of *inCite*. Members have elected a Board of high calibre and I look forward to working productively with our directors. ■

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