

# The Second Annual GST and Property One Day Masterclass

A SPECIAL ONE-DAY MASTERCLASS FOR  
TAX ADVISERS AND PROPERTY LAWYERS

ORGANISED BY TELEVISION EDUCATION NETWORK PTY LTD

RADISSON HOTEL & SUITES, SYDNEY | WEDNESDAY 26 FEBRUARY 2020

Dodging the Hazards in the GST Withholding Regime

Calculating the Margin Scheme in Property Matters

Traps in GST-free Supplies of a Going Concern - And How to Avoid Them

Application of GST to Mixed Purpose Property Developments

A New Dance Partner - GST Implications of Purchaser Substitution

Broadacre Developments: the GST Rules Are Easy. Or are they?

## FEEDBACK FROM LAST YEAR'S CONFERENCE:

*"Content was at a higher level than other seminars I have attended."*

*"Well run, efficient and topical."*

*"Most of the information provided was quite relevant to my workplace and it was information that's hard to get through other channels."*

*"Answered all my uncertainties."*



The professional development specialists

# PROGRAM WEDNESDAY 26 FEB 2020

**CHAIR: MATTHEW SEALY, BARRISTER,  
GROUND FLOOR WENTWORTH  
CHAMBERS, SYDNEY**

**9.00 - 9.10am**

Introduction and welcome

**9.10 – 10.00am**

## **Session 1: Dodging the Hazards in the GST Withholding Regime**

Now that the GST withholding regime has been in for over a year, the common errors that are being made have become more apparent. This session identifies common traps and hazards occurring in relation to GST withholding on new residential premises and potential residential land, including:

- Not notifying right suppliers
- Not capturing the right land
- Not understanding how the margin scheme interacts
- Managing multiple vendors
- Managing multiple supplies for undivided price:
  - what amount is referable to which supply
  - Understanding how the withholding forms work
- Special issues with development leases:
  - What happens when purchaser withholds GST and the landowner and developer split the proceeds 50/50 even though GST paid goes only to the owner?
  - Issues with the transitional provisions

*Speaker: Simone Bridges, Partner, Baker McKenzie, Sydney*

**10.00 – 10.10am Panel Comments and Questions**

**10.10 – 11.00am**

## **Session 2: Calculating the Margin Scheme in Property Matters: Practical Compliance Imperatives**

Beyond the technical operation of Division 75, the use of the margin scheme requires understanding the practical implications of how it will apply to specific scenarios. This session steps through the use of the margin scheme in specific facts and circumstances, including:

- Using lookback to support the margin scheme when the property was bought as part of going concern:
  - Best practice ways to manage at the time of transaction
  - Options to get lookback information post facto
- Worked examples of how to calculate margin scheme on common scenarios including:
  - Sale of two townhouses on subdivided suburban block, one being a 4-bedroom three storey townhouse and one being a 3-bedroom two storey townhouse
  - Mixed used acquisition: sale of property with retail shop at ground floor and residential apartment at first floor
  - Supply of land acquired before 1 July 2000

*Speaker: Jeff Pfaff, Partner, Specialist Taxes – GST, PwC, Brisbane*

**11.00 – 11.10am Panel Comments and Questions**

**11.10 – 11.30am Networking Break and Morning Tea**

**11.30am – 12.20pm**

## **Session 3: Traps in GST-free Supplies of a Going Concern – And How to Avoid Them**

Selling a business as a GST-free going concern is now regarded as standard operating practice, which can give rise to complacency and mistakes. This session explores the types of issues that can be overlooked by advisers and taxpayers entering into supply of a going concern, including:

- When is it beneficial to acquire property as a going concern?
- Issues relating to tenanted or partly tenanted commercial properties:
  - selling land and assigning leases
  - assigning management and services contracts
  - rental adjustments
- Multiple vendors, one purchaser - standardising arrangements between related parties before sale
- Supply of a going concern where there is one vendor and multiple purchasers

*Speaker: Patrick Hunt, Numaru, Founding Partner, Sydney*

**12.20 – 12.30pm Panel Comments and Questions**

**12.30 – 1.30pm Luncheon**

**1.30 – 2.20pm**

## **Session 4: Application of GST to Mixed Purpose Property Developments**

The characterisation of real property supplies for GST purposes becomes more complex in mixed purpose properties. This session shows you how to conduct your analysis by reference to two mixed use scenarios. First, integrated communities (with residential premises, social and affordable housing, retail, and commercial zones); second, a farm with homestead, curtilage and paddocks. Topics covered include:

- Identifying and analysing the components
- Identifying costs and appropriate apportionment
- Calculating the margin where margin scheme is to be used
- Using a 'fair and reasonable method of apportionment' – what does that mean?
  - Options for making a fair and reasonable allocation – which to choose?
- Provision of services as consideration for supply – appropriate reporting and valuation of supply for GST purposes (eg Taxpayer Alert 2018/3)
- Division 135 increasing adjustments where property sold as GST-free going concern
- Where homestead + curtilage is sold – how big an area can constitute curtilage for GST purposes?

*Speaker: Kati Pedersen, Senior Manager, PwC, Melbourne*

**2.20 – 2.30pm Panel Comments and Questions**

# PROGRAM WEDNESDAY 26 FEB 2020

2.30 – 3.20pm

## Session 5: A New Dance Partner - GST Implications of Purchaser Substitution

With tightening rules on bank lending and increased taxes on foreign buyers, developers are seeing an uptick in the number of transactions where the initial purchaser is looking to pull out of a sale contract or to substitute an unrelated third party. This session reviews the potential GST consequences of such transactions, including:

- If the initial purchaser outlays an amount to the vendor, how is it to be characterised and what is the GST treatment?
  - Forfeited deposits
  - Compensation payment
  - Incentive to accept step-in purchaser
- Incentives paid to step-in purchaser to acquire property and its GST treatment where:
  - Paid by initial purchaser
  - Paid by vendor
  - Reduced purchase price
  - Increased supply (e.g. extra car park) for same purchase price
- Commissions received by real estate agent or another third-party facilitator

*Speaker: Boris Mak, Senior Manager, Indirect Taxes, PwC, Brisbane*

3.20 – 3.30pm Panel Comments and Questions

3.30 – 3.50pm Networking Break and Afternoon Tea

3.50 – 4.40pm

## Session 6: Broadacre Developments: the GST Rules Are Easy. Or are they?

Broadacre development generally involve residential real estate or new residential premises at some point, but the status of the land will change as the development progresses. And what is the position of the land owner as opposed to that of the developer? This presentation will examine the status of both the land and the supplier and how those changes will impact on GST liability. It covers:

- The farmer developer – can the farmer escape GST liability on the basis of no enterprise being carried on? Mere realisation etc.
- Is registration cancellation a pre-requisite
- Accidental tax law partnerships between landowner and developer – GST implications
- Developer acquiring the land – getting the primary production exemption
- Developer acquiring the land – is it residential real property or not?
- When does broadacre development land become residential land?
- House and land packages and the incidence of GST

*Speaker: Matthew Cridland, Partner, K&L Gates, Sydney*

4.40 – 4.50pm Panel Comments and Questions

# GENERAL INFORMATION

## Conference Registration Fee

The registration fee includes attendance at the conference, online access to the conference papers and refreshment breaks and lunch.

The registration fee does not include any travel or accommodation. Delegates are advised to make their own travel arrangements.

## Conference Papers

TEN no longer provides printed copies of conference papers at its events. Access to the papers will be available online to all delegates in the lead-up to the conference (as the papers become available), during the conference and for 30 days after the conference. The papers will be available in .pdf format for easy download to your local computer or portable device.

At the conference TEN will supply printed copies of the PowerPoint presentations.

## CPD Units/Points

**Lawyers (except W):** 6 CPD units (substantive law)

WA Lawyers: 6 CPD points (substantive law)

**Accountants** 6 CPD/Training hours

## The Conference Venue

### Radisson Hotel & Suites

72 Liverpool St, Sydney

[www.radisson.com/sydney-hotel-ns-2000/ausydney](http://www.radisson.com/sydney-hotel-ns-2000/ausydney)

## Travelling to the Conference Venue

Delegates are advised to make their own travel arrangements.

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## Conference Dress

Smart casual attire is suitable. *(note: the temperature in the conference room varies depending on where you are sitting. Light dress is generally OK, but it is advisable that you bring a jacket/long sleeved top in case you need it.)*

## Cancellation Policy

Cancellations must be received in writing at least 10 days prior to the Conference for a 85% refund. Substitute delegates accepted at any time.

## Conference Terms

Program subject to change without notice. The information and views presented in the conference are not necessarily those of TEN, and participants rely on these at their own risk. TEN is not responsible for any financial or other losses incurred by delegates or for injury or damage to persons or property. TEN's maximum liability for conference cancellation or any other loss or liability is the refund of the registration fee paid.

TEN is not responsible for financial loss incurred by you as a result of the cancellation or postponement of the conference as a result of strikes, natural disasters, and other Acts of God such as volcanic ash clouds in Australian airspace. We therefore strongly advise you to take out travel insurance if your attendance plans involve air travel or other significant travel to the conference venue.

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# REGISTRATION FORM TAX INVOICE\*

Registration is simple; complete the form below and fax or post your registration to us or register online.

Television Education Network Pty Ltd, (ABN 19 052 319 365)

GPO Box 61, Melbourne, Victoria 3001

Fax (03) 9670 0588 Phone (03) 9670 2055 Enquiries Jenna Pickrell

Register online: <http://www.tved.net.au> – go to CONFERENCES

Please register me for the **Second Annual GST & Property One Day Masterclass** to be held in Sydney on Wednesday 26 February 2020

**Early Bird Registration** – for registrations made on or before 25 January 2020 – **\$880** (\$800 + \$80 GST)  
(Conference code: SXGFEB20)

**Full Price Registration** – **\$990** (\$900 + \$90 GST)

The papers from this masterclass will be available in electronic form only approximately 1 week after the masterclass has been held. You can pre-order the papers now online via our website at [www.tved.net.au](http://www.tved.net.au). The papers are **\$165** (\$150 + \$16 GST) (Code: PSXGFEB20).

**Multiple registration discount?** If you would like to send more than one person from your company to this masterclass, please ask Jenna about the discounts available for multiple registrations: The more you send, the greater the discount. [jenna@tved.net.au](mailto:jenna@tved.net.au) or phone (03) 8601 7729.

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