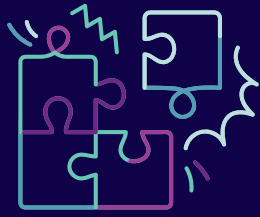


UNDERSTANDING TAX



WHAT IS TAX AND WHY DO WE HAVE TO PAY IT?

A tax is a mandatory payment or charge collected by the local, state, and national governments from individuals or businesses to cover the costs of general government services, goods and activities.

WHAT'S THE DIFFERENCE BETWEEN DIRECT AND INDIRECT TAX?

A direct tax is levied on individuals and organisations and cannot be transferred to another payer. For example 'individual income tax.'

Indirect taxes are levied on goods and services, not individual payers, and are collected by a retailer or manufacturer when transactions occur. For example 'GST' or Goods and Services Tax.



WHAT IS A TFN (TAX FILE NUMBER)?

A TFN is a unique number (usually 9 digits) assigned to an individual for life. You can apply for a TFN at any age and you keep the same number even if you change jobs, name, move interstate or go overseas.

DO I HAVE TO HAVE A TFN?

No, but without one, your employer or financial institution must withhold higher tax amounts from any payments to you. You also can't apply for government benefits or allowances, such as JobSeeker; lodge your tax return online or apply for an Australian Business Number (ABN).



WHEN DO I HAVE TO LODGE AN INDIVIDUAL TAX RETURN?

- You are employed and had tax withheld from your income by your employer
- You've earned \$1 or more of foreign income
- You pay or receive child support
- You've earned business or investment income
- If you are leaving Australia and have an outstanding study or training support loan. You must lodge a tax return before leaving.

If you need tax help, check out the [Australian Taxation Office website](https://www.ato.gov.au).

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