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## Update of factsheet 'GST and personal aquatic survival skills'

Dear Gary

Late last year we contacted the industry with regards to the update of the factsheet '*GST and personal aquatic survival skills*'.

We became aware of the inconsistent GST treatment of swimming lessons and also that the current factsheet is not providing clear guidelines on which swimming lessons are GST-free personal aquatic survival skills and which swimming lessons are taxable.

It was therefore decided to update the factsheet and we would appreciate your views.

We thank you for your time and any assistance you can provide.

We seek your comments on our views below:

### A) Personal aquatic survival skills

For a course to be considered a personal aquatic survival skills course and be GST-free it must incorporate **ALL** these survival skills:

- 1) Sculling
- 2) Treading water
- 3) Floating
- 4) Safe entry and exit from the water
- 5) Techniques for clothed swimming survival
- 6) Use of devices to assist rescue, and
- 7) Basic swimming skills.

That is, if a lesson or a course only provides floating, safe entry and exit from the water and basic swimming skills, the course will not be a GST-free course because it does not include **all** the seven (7) personal aquatic survival skills. It is considered that **ALL** of these skills make up a personal aquatic survival skills course.

The reason for the inclusion of **ALL** of the above skills to be present under the notion of 'personal aquatic survival skills' is that the lesson or course must be focused on the safety and survival skills of the participant and not on improving a participant's technique and endurance.

## **B) Swimming lessons that are not GST-free**

The definition of first aid or life saving course specifically excludes swimming lessons from the GST-free treatment. Basic swimming skills are one skill set required to be taught to satisfy the GST-free personal aquatic survival skills course. However, where the main purpose of the course is to teach and improve one's swimming skills this will be considered a swimming lesson and will be a taxable supply.

The ATO has adopted the view that the term 'swimming lessons' applies to courses that principally provide swimming instruction to individuals to improve their swimming skills. For example, improving their technique, speed or endurance.

A particular swim school may provide both swimming lessons and aquatic survival skills courses. A particular swim school needs to assess the courses they are providing to determine if all the components of personal aquatic survival skills course are present and not just basic swimming skills.

## **C) Examples of GST-free swimming lessons and taxable swimming lessons (especially LTS)**

### GST-free swimming lessons

It is accepted that levels in Learn to Swim (LTS) classes provided to children, adults and people with disabilities which include **ALL** of the personal aquatic survival skills, that is, an LTS lesson or a course that includes ALL of

- Sculling
- Treading water
- Floating
- Safe entry and exit from the water
- Techniques for clothed swimming survival
- Use of devices to assist rescue, and
- Basic swimming skills,

are GST-free swimming lessons.

For example, a Level 4 LTS class that teaches back sculling, 25m freestyle with correct technique, 25m backstroke, breaststroke kicks, butterfly kicks, treading water for 30 seconds, back and front floating, safe entry and exit from the water, techniques for clothed swimming, use of devices to assist rescue, eyes under, games and submerge and kick to parent, water safety education and demonstrate a standing and dive start, would be considered a GST-free swimming lesson. This is because ALL of the personal aquatic survival skills are taught in this example.

### Taxable swimming lessons

Lessons that do not incorporate ALL of the personal aquatic survival skills are not GST-free swimming lessons.

For example, a Level 5 LTS class that have the following skills taught:

- Swim 25m freestyle
- Racing dive and swim 50m freestyle
- Demonstrate correct backstroke and swim 25m backstroke
- Demonstrate correct backstroke and swim 50m backstroke

- Demonstrate correct breaststroke kick with board for 12.5m
- Demonstrate butterfly kick and attempt to breathe,

is a taxable swimming lesson. This is because the skills taught are only basic swimming skills and does not include sculling, treading water, floating, safe entry and exit from water, techniques for clothed swimming survival and use of devices to assist rescue.

We appreciate any comments or further examples you may have. We look forward to having some discussions with you in the near future.

Yours sincerely

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