



Explanatory Statement

A New Tax System (Goods and Services Tax) (Application of Intermediary Arrangements to the Multi-Media Industry) Determination 2025

General outline of instrument

1. This instrument is made under subsection 153-65(1) of the *A New Tax System (Goods and Services Tax) Act 1999* (the Act).
2. This instrument specifies that supplies or acquisitions of multi-media products are taken to be supplies or acquisitions to which the arrangements in section 153-50 of the Act apply. Intermediaries and principals who are involved in making supplies and acquisitions of multi-media products are taken to have agreed to adopt the arrangements referred to in section 153-50 of the Act.
3. This instrument repeals and replaces the instrument titled *Goods and Services Tax: Application of Agency Arrangements to the Multi-Media Industry Determination (No. 33) 2015*, which would otherwise sunset on 1 October 2025. The instrument has the same substantive effect as the one it is replacing.
4. The instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.
5. Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws) the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

Date of effect

6. This instrument commences on the day after it is registered on the Federal Register of Legislation.

Background

7. Section 153-50 of the Act provides that principals and their intermediaries may enter into an arrangement under which the intermediary will be treated as a supplier or acquirer in their own right (section 153-50 arrangement).
8. The general effect of entering into these arrangements, in respect of both supplies and acquisitions, is that the intermediary, rather than the principal, is treated as the supplier or acquirer (as the case may be) with respect to the transaction with the third party. That is, a supply that the principal makes to a third party through the intermediary is treated as a supply by the intermediary to the third party. Likewise, an acquisition that the principal makes from a third party through the intermediary is treated as an acquisition by the intermediary from the third party.
9. Entities may choose to enter into these arrangements to simplify the way they account for GST.
10. Under section 153-65 of the Act, the Commissioner can determine that supplies or acquisitions of a specified kind are taken to be supplies or acquisitions to which a section 153-50 arrangement applies. Where the Commissioner has made a determination under this section, the section 153-50

arrangement will apply without the principal and intermediary being required to enter into the arrangement in writing.

11. Before making a determination under section 153-65 of the Act, the Commissioner may consider a number of relevant factors relating to those supplies and acquisitions, including whether there are:

- (a) a significant number of intermediaries,
- (b) a significant number of principals, or
- (c) difficulties in obtaining written agreements between principal and intermediary (for example, industries in which the intermediaries and principals involved are geographically isolated).

12. Multi-media products are products that combine various forms of media to convey information or provide entertainment. Such products, including magazines, newspapers and recorded music, are often sold through an intermediary, such as a newsagency or supermarket.

13. The sale of such products would usually result in principals having to deal with a large number of intermediaries. This may present difficulties, for example, when obtaining information required to account for their GST obligations.

14. Furthermore, intermediaries also need to differentiate between supplies they make in their own right and those they make as an intermediary, sometimes on behalf of multiple principals.

15. Many of these intermediaries may also be geographically separated from the principal, making it difficult to obtain this information or obtain the written agreement required to enter into a section 153-50 arrangement.

16. These difficulties lead to higher compliance costs and administrative burden.

17. For these reasons, the Commissioner considers that a determination under section 153-65 of the Act is appropriate in relation to the multi-media industry to alleviate these compliance costs and burdens.

18. Where the Commissioner has made a determination under section 153-65 of the Act in relation to a specific supply or acquisition, the principal and intermediary can opt out of this 'deemed' section 153-50 arrangement where the benefits provided by the instrument do not suit their arrangements and they have notified the other in writing.

Effect of this instrument

19. This instrument specifies that supplies or acquisitions of multi-media products are supplies and acquisitions of a specified kind for the purposes of subsection 153-65(1) of the Act.

20. This means that supplies or acquisitions of multi-media products are supplies or acquisitions to which a section 153-50 arrangement will apply unless the intermediary, the principal, or both, notify the other in writing that they do not wish for this arrangement to apply.

21. This arrangement will apply to the supply of multi-media products made through retailers and distributors of those products including but not limited to newsagents, supermarkets, convenience stores and delivery agents.

22. Multi-media products are products that combine various forms of media, such as text, images, audio, video, and interactive elements, to convey information or provide entertainment. It also includes products that are provided as an add-on or extension to these products.

23. Therefore, multi-media products include, but are not limited to, magazines, journals, newspapers, calendars, and computer software, recorded music and electronic games (including where stored on storage devices).

24. However, lottery tickets (or similar products of a gambling nature), phone cards and gift cards are not multi-media products.

25. This instrument applies to intermediaries and principals in simple two-party relationships and also intermediaries and principals in more complex multi-level arrangements involving sub-intermediaries.

Compliance cost assessment

26. Compliance cost impact: Minor – There will be no additional regulatory impacts as the instrument is minor and machinery in nature (OIA25-09544).

Consultation

27. Subsection 17(1) of the *Legislation Act 2003* requires that the Commissioner is satisfied that appropriate and reasonably practicable consultation has been undertaken before they make a determination.

28. Public consultation was undertaken for a period of 4 weeks commencing 28 May 2025 on drafts of this instrument and explanatory statement.

29. The draft instrument and draft explanatory statement were published on the ATO Legal database and publicised on the database's 'What's new' page. Major tax and superannuation publishers and associations commonly monitor these pages and usually include the details in the daily and weekly alerts and newsletters to their subscribers and members.

30. No feedback was received on the draft instrument and explanatory statement during the consultation period.

Statement of compatibility with human rights

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

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This legislative instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the legislative instrument

This legislative instrument allows supplies or acquisitions of multimedia products made by an intermediary entity on behalf of another entity (the principal) to be taken as supplies or acquisitions made in accordance with an arrangement under Subdivision 153-B of the *A New Tax System (Goods and Services Tax) Act 1999*. That is, a supply or acquisition that the principal makes to a third party through the intermediary is treated as a supply or acquisition by the intermediary to or from the third party.

Human rights implications

This legislative instrument does not engage any of the applicable rights or freedoms, as it merely provides a simplified way, for relevant principals and intermediaries, to account for GST.

Conclusion

This legislative instrument is compatible with human rights as it does not raise any human rights issues.