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Our Reference:
Contact Officer: Tony Gay Extn: 62824
Your Reference:

Australian Taxation Office
2 Constitution Ave, Canberra ACT 2601
PO Box 900, Civic Square ACT 2608

31 May 2000

Mr Tony Messner
Administrator Norfolk Island
PO Box 201
NORFOLK ISLAND 2899

Dear Mr Messner

Goods and Services Tax (GST) and imports from the mainland

I refer to your facsimile of 11 May 2000 and our meeting on 23 May 2000. You advised that many residents of Norfolk Island are concerned that mainland suppliers will not be aware that supplies of goods they make to Norfolk Island will be GST-free. We agreed to send a letter explaining the circumstances in which purchases of goods made on the mainland by residents of Norfolk Island will be GST-free.

In order to implement the Commonwealth Government's decision to exempt Norfolk Island from the GST, the general effect of the GST legislation is that goods and services supplied from mainland Australia to Norfolk Island will be treated as being exported from Australia. Suppliers who export goods to Norfolk Island generally can treat those sales as being GST-free. To qualify, the supplier must export the goods from mainland Australia within 60 days of receiving any payment for the goods or issuing an invoice for them (whichever is earlier).

Suppliers on the mainland are advised that they can rely on this advice. However, suppliers need to retain (in their records) evidence that they have exported the goods (eg documentation from a shipper or freight forwarder showing that the destination is Norfolk Island). Please note that, if a mainland supplier gives possession of the goods to a resident of Norfolk Island while the resident is on the mainland, the sale will be taxable unless it is made in a sealed bag under the relevant rules.

If suppliers have any concerns, they should telephone the ATO on (02) 6216 2824.

I trust this information assists Norfolk Island residents.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Gay'.

(Tony Gay)
for Rick Matthews
DEPUTY COMMISSIONER OF TAXATION
Goods and Services Tax