

NORFOLK



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THE GOVERNMENT OF NORFOLK ISLAND

MEDIA RELEASE

Big changes in revenue systems from April 2nd

Abolition of taxes and fees

Minister for Finance Neville Christian says that next week will see the biggest changes to Norfolk Island Government revenue systems in many years. "On Monday 2nd April, several existing taxes and fees will be abolished or substantially reduced", Mr Christian said. "The Financial Institutions Levy, Cold Bed Tax and Liquor Licensing Fee will all cease to exist. As well, customs duty will be removed from the majority of items imported into Norfolk Island".

Goods and Services Tax

Mr Christian said that the new Goods and Services Tax (GST) will replace the Norfolk Sustainability Levy (NSL) on 2nd April. This new broadly-based consumption tax will apply at 9%, and features input tax credits and provisions for drawback of previously paid customs duty. Mr Christian said that, commencing on 28th March, a GST information package was being sent by email to all businesses and individuals who had registered for the NSL or GST. The documentation includes worked examples of GST calculations, sample forms and answers to frequently asked questions. There are also definitions in relation to capital items, charitable organisations, input credits and other areas which have sparked community discussion. Further copies of the information package are available from the GST Office on 22001 (ext 137).

Stocktake and timelines

Businesses wishing to take advantage of customs duty drawback provisions are required to furnish the GST Office with a complete stocktake or computer inventory of stock by 4.30 p.m. on 10th April 2007. The stocktake must include details of stock items on hand, invoice cost and duty paid, as at midnight on 1st April.

All businesses and individuals liable for payment of GST must submit a return to the Chief Revenue Officer no later than the 21st day of each month or the 28th day where payment is made electronically. Returns are due on the next working day if the prescribed days fall on a weekend or public holiday.

Free assistance to businesses

The Minister repeated that Norfolk Island Government has established a GST Implementation Group of local professionals to provide advice to businesses and individuals on the procedures involved in registering and accounting for the Goods and Services Tax. He said that the advice is being funded by the government at no cost to clients for the first two hours of service provided.

Mr Christian said that arrangements had been made with the following accountants and financial advisers to provide up to two hours of free professional advice:

- Norfolk Island Business Solutions (Belinda Grube)
- C.E. O'Sullivan and Associates (Cathy O'Sullivan)
- Graeme Donaldson
- On Time All The Time (Kate Smith & Tina Loader)

Help available includes advice on the requirements of the new legislation, record keeping, completion of registrations and forms, details on input tax credits and exemptions, customs duty drawback procedures and related topics.

People wishing to take advantage of this offer are asked to contact the Research Assistant – Government (Alma Davidson) on 22003 or by email at alma@assembly.gov.nf to make the necessary arrangements.

Exempt Charitable Organisations

The Minister advised that it is intended that a register of exempt charitable organisations will be developed.

To assist in developing the register, those organisations seeking to exempt charitable organisation status are requested to make application for exemption in writing to the Chief Revenue Officer, Administration of Norfolk Island or email shellylecren@admin.gov.nf

Mr Christian said that as a guideline, those organisations which conduct a commercial activity and hold a Liquor Licence; and/or Sale of Food Licence will not qualify to be an exempt organisation. However, membership fees for clubs and community organisations, including those that conduct a commercial activity, will be GST free.

30th March 2007