



THE GOVERNMENT OF NORFOLK ISLAND

MEDIA RELEASE

Goods and Services Tax implementation

Acting Minister for Finance Vicky Jack today thanked the business community and all Administration staff involved for their cooperation in the implementation of the Goods and Services Tax. Mrs Jack said that a number of issues had been identified and dealt with and that overall the commencement of the new revenue regime was progressing well.

Mrs Jack said that there had been a considerable number of enquiries received from the public concerning the application of customs duties in relation to revenue changes associated with the introduction of the GST.

She said that there have been some complications because at this stage the Commonwealth has not given assent to the Customs (Amendment) Bill 2007. This meant that since 2 April 2007, in accordance with a specific direction from the Minister for Finance, Customs officers had been advising the public that they will treat imports as if that Bill had been implemented, and were therefore not collecting customs duty on goods imported for resale.

The relevant provision of the Bill is Section 4, which exempts from customs duty goods “...entered for home consumption and entered for re-sale only other than tobacco products.”

On 13 April, the Minister for Finance issued a clarification of this definition as follows:

- Beads, nylon and clasp (sold as a necklace) are items imported for resale;
- Flour (sold as bread) is imported for resale;
- Clay (sold as pottery) is imported for resale;
- Syrup and gas (sold as soft drink) are items imported for resale.

The breadth of the definition has now been considered by the Norfolk Island Government, which has decided that Customs staff should be directed to extend the application of the definition to all goods, excluding capital items, entered for consumption in Norfolk Island which were entered for *direct or indirect* resale other than tobacco products.

This will mean that customs duty will not apply to such goods imported on or after 2 April 2007, including a number of categories where there has been public discussion. For example, it is the Government’s decision that the following goods should be treated as exempt from duty:

- Poultry and stock feeds imported by businesses which generate income from such stock (eg chicken or egg producers, horses used for commercial transport or horse riding tours etc.);
- Fertilisers, seeds and agricultural chemicals for use by commercial horticulturalists;

- Towels, bed linen, soaps etc. for use in commercial accommodation houses;
- Bulk shampoos, hair and beauty products for use by hairdressers.

These categories are meant to be indicative only, and this is not a comprehensive list of items imported for indirect resale which will be exempted from import duty. Mrs Jack encouraged any importer or business with queries about the application of the new revenue system to contact the GST hotline on 24110 or to visit the GST website at www.gst.gov.nf.

Stephanie V Jack
Acting Minister for Finance

13th April 2007