

EXPOSURE DRAFT

1 **GST and cross-border transport supplies**

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Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Schedule 4	The day this Act receives the Royal Assent.	
2.		
3.		

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1
2 **Schedule—GST and cross-border transport**
3 **supplies**
4

5 *A New Tax System (Goods and Services Tax) Act 1999*

6 **1 After paragraph 13-20(2)(b)**

7 Insert:

8 (ba) the amount paid or payable for a supply to which item 5A of
9 the table in subsection 38-355(1) applies, to the extent that
10 the amount:

11 (i) is not a tax, fee or charge to which subsection 81-5(2)
12 applies; and

13 (ii) is not already included under paragraph (a) or (b); and

14 **2 Paragraph 13-20(3)(b)**

15 Repeal the paragraph, substitute:

16 (b) determine the way in which the amount paid or payable for a
17 specified kind of supply referred to in paragraph (2)(ba) is to
18 be worked out for the purposes of that paragraph; and

19 (c) in relation to importations of a specified kind or importations
20 to which specified circumstances apply, determine that:

21 (i) the amount paid or payable for a specified kind of
22 transport or insurance is taken, for the purposes of
23 paragraph (2)(b), to be zero; or

24 (ii) the amount paid or payable for a specified kind of
25 supply referred to in paragraph (2)(ba) is taken, for the
26 purposes of that paragraph, to be zero.

27 **3 At the end of section 38-190**

28 Add:

29 (5) Subsection (4) does not apply to any of the following supplies:

30 (a) a transport of goods within Australia that is part of, or is
31 connected with, the *international transport of the goods;

32 (b) a loading or handling of goods within Australia that is part
33 of, or is connected with, the international transport of the
34 goods;

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- 1 (c) a service (for example a service relating to customs
2 clearance), done within Australia, that facilitates the
3 international transport of the goods;
4 (d) insuring transport covered by paragraph (a);
5 (e) arranging transport covered by paragraph (a), or insurance
6 covered by paragraph (d).

7 Note: The supply might still be GST-free under item 5, 5A, 6 or 7 of the
8 table in subsection 38-355(1).

9 **4 Section 38-355**

10 Before “The third column”, insert “(1)”.

11 **5 Section 38-355 (table item 5)**

12 Omit “However, paragraph (a) or (b) only applies to the transport of the
13 goods within Australia if it is supplied by the supplier of the transport of
14 the goods from or to Australia (whichever is relevant).”.

15 **6 Section 38-355 (after table item 5)**

16 Insert:

- 5A Loading or handling etc. (a) loading or handling of goods during the course of the
*international transport of the goods covered by
item 5; or
(b) supply of a service (for example a service relating to
customs clearance), during the course of the
international transport of goods covered by item 5,
that facilitates the international transport.

17 **7 At the end of section 38-355**

18 Add:

- 19 (2) However, paragraphs (a) and (b) of item 5, and item 5A, of the
20 table in subsection (1) do not apply to a supply to the extent that
21 the supply is done within Australia, unless:
22 (a) the *recipient of the supply:
23 (i) is a *non-resident; and
24 (ii) is not in Australia at the time when the supply of
25 transport of the goods within Australia is done; or
26 (b) the supply is done by the supplier of the transport of the
27 goods from or to Australia (whichever is relevant).

28 **8 Section 195-1 (definition of *international transport*)**

29 Repeal the definition, substitute:

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1 *international transport* means:

- 2 (a) in relation to the export of goods—the transport of the goods
3 from their *place of export in Australia to a destination
4 outside Australia; or
5 (b) in relation to the import of goods—the transport of the goods
6 from a place outside Australia to their *place of consignment
7 in Australia.

8 **9 Section 195-1 (after paragraph (a) of the definition of *place* 9 *of consignment*)**

10 Insert:

- 11 (aa) if the supplier of the goods is to deliver the goods in
12 Australia—the place in Australia to which the goods are to be
13 delivered under the contract for the supply of the goods; or
14 (ab) if:
15 (i) neither paragraph (a) nor (aa) applies; and
16 (ii) the goods are to be transported into Australia by an
17 entity supplying a transport service to an entity that is to
18 import the goods into Australia;
19 the place in Australia to which the goods are to be delivered
20 under the contract for the supply of the transport service; or

21 **10 Section 195-1 (paragraph (b) of the definition of *place of* 22 *export*)**

23 Repeal the paragraph, substitute:

- 24 (b) if paragraph (a) does not apply and the goods were packed in
25 a *freight container:
26 (i) the last place from which they were collected, or to
27 which they were delivered, prior to being so packed; or
28 (ii) if subparagraph (i) does not apply—the place where
29 they were so packed; or

30 **11 Existing determinations under paragraph 13-20(3)(b)**

31 A determination under paragraph 13-20(3)(b) of the *A New Tax System*
32 (*Goods and Services Tax*) Act 1999 that was in force immediately
33 before the commencement of this item continues in force after that
34 commencement as if it were a determination under subparagraph
35 13-20(3)(c)(i) of that Act as amended by this Act.

36 **12 Application of amendments**

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The amendments made by this Schedule apply in relation to net amounts for tax periods starting on or after 1 July 2010.