



Air transport within Australia -

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This publication should be read in conjunction with the related content of that register where further context is required.



Tourism and Hospitality Industry Partnership

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Air transport within Australia

1. Tourism operators provide scenic flights, hot air balloon flights and charter flights which may not involve the transport of a person from one destination to another.

Issue

2. Does 'Transport of a passenger within Australia by air' include:
 - a. charter flights
 - b. scenic flights, hot air ballooning trips

if they are all part of the international holiday package?

Decision

3. The term 'transport' is given its ordinary meaning. 'Transport' is defined in the *Macquarie Concise dictionary* as 'to carry or convey from one place to another'. Travel is similarly defined as 'to go from one place to another'. Therefore a derived definition for domestic air travel is 'to convey the passenger from one place to another (different) place'.
4. The transport of a passenger within Australia by air is GST-free, but only if:
 - the transport is part of a wider arrangement, itinerary or contract for transport by air involving international travel
 - at the time the arrangement, itinerary or contract was entered into, the transport within Australia formed part of a ticket for international travel, or was cross referenced to such a ticket, issued at that time.

Or

- the passenger is a non-resident
- the transport was purchased while the passenger was outside Australia.

5. Applying this to the examples given:

- A charter flight that conveys passengers from one place to another place is transport of a person within Australia by air for GST purposes. The charter flight would be GST-free if the conditions above are met.
- A scenic flight or hot air balloon flight is not the transport of a person within Australia by air for GST purposes because it does not convey passengers from one destination to another, but rather provides a sight-seeing service. Where a flight has no specified destination distinct from the point of departure at which passengers disembark, the flight does not meet the definition of 'transport'. GST is payable on these services, even if purchased by a non-resident outside Australia.