


ST 2348 - SALES TAX : FISH FARMING AND MARRON FARMING

 This cover sheet is provided for information only. It does not form part of *ST 2348 - SALES TAX : FISH FARMING AND MARRON FARMING*

This document has been Withdrawn.
There is a [Withdrawal notice](#) for this document.

TAXATION RULING NO. ST 2348

SALES TAX : FISH FARMING AND MARRON FARMING

F.O.I. EMBARGO: May be released

REF N.O. REF: 84/2897-2 DATE OF EFFECT: Immediate

B.O. REF: Perth E/C 113ABC DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1211077	FISH FARMING MARRON FARMING	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEMS 20A & 113A FIRST SCHEDULE.

PREAMBLE The purpose of this ruling is to explain the exemptions that are available under the sales tax law to persons engaged in the farming of fish and/or marron.

FACTS 2. Fish farming operations normally involve the breeding, growing and marketing of fish, e.g. trout or barramundi, for table purposes or for introduction into lakes, rivers or mountain streams. In the case of trout farming, selected breeding trout are placed in special spawning ponds where the eggs are laid. The young fish are reared in a hatchery with running water. They are fed on pelletized food and are transferred to tanks or ponds one or two feet deep and kept in them for the whole of the first growing season. Subsequent years are spent in larger ponds. When reared to a saleable size the fish are sent to market. Others are released at an earlier stage as fingerlings into lakes, rivers or streams.

3. Marron is a freshwater crayfish. It is a crustacean belonging to the same group of animals as crabs, shrimps, prawns, lobsters. Marron and other species of freshwater crayfish are farmed commercially in various parts of Australia in specially designed ponds. Marron need no artificial stimulus to breed outside their natural environment and mating and spawning occurs quite regularly every year when the water temperature increases in spring. A high oxygen content of the water is desirable during spawning and release of the young from the females which occurs between November and January depending upon locality and water temperature. Farming techniques vary in sophistication but generally consist of . ensuring that there is adequate feed and sufficient oxygen in the water to maintain life. Shelter is also provided in the ponds and overhead cover may be erected to protect the marron from predatory birds. Marron are generally harvested by either nets or traps.

RULING 4. While a wide range of equipment qualifies for exemption where it is for use in agricultural industry, the farming of fish and/or marron does not come within the agricultural industry for sales tax purposes. "Agriculture" is defined to include viticulture, horticulture, pasturage, apiculture, poultry farming, dairy farming, and other operations connected

with the cultivation of the soil, the gathering in of crops and the rearing of livestock. The definition is directed toward rural activities connected with the land, i.e., the growing of crops and grazing of cattle, sheep, goats and the like.

5. Although the definition of "agriculture" includes the rearing of livestock, fish are not livestock for the purposes of the sales tax law. In DCT, NSW v Zest Manufacturing Co Pty Ltd (1949) 76 CLR 166, the High Court held that the term "livestock" as it appeared in the sales tax law referred to horses, cattle, sheep and the like and did not extend to fish.

6. "Manufacture" is defined to include production. The breeding and growing of fish and marron come within the term "production" and are "manufacture" for sales tax purposes.

7. Consequently equipment and other goods for use primarily and principally in fish farming activities may qualify for exemption from sales tax under item 113A, First Schedule, as aids to manufacture. To qualify for exemption as an aid to manufacture, the equipment must be for use in the circumstances set out in the definition of "aids to manufacture". Examples of goods used by fish farmers which qualify for exemption as aids to manufacture are -

Fibreglass breeding tanks
Tanks used for hatching eggs
Pumps and other equipment used to aerate the water in the tanks in which the fish are hatched and grown.

8. Fish and marron farmers are also accepted to be engaged in the fishing industry and are entitled to the exemptions available under item 20A, First Schedule. Goods exempted by item 20A include -

Engines (including electric motors)
Nets and netting used to trap and/or catch fish
Refrigeration equipment used in the preservation of fish.

Exemption for the above goods applies only where they are for use in the fishing industry.

9. If a fish farmer has any doubts whether particular equipment used in the hatching and growing of fish and/or marron qualifies for exemption from sales tax advice should be sought from the nearest Taxation Office.

COMMISSIONER OF TAXATION
25 June 1987