



GST and international travel

- <https://www.ato.gov.au/Business/GST/In-detail/Your-industry/Travel-and-tourism/GST-and-international-travel/>
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GST and international travel

Most travel and tourism activities within Australia, such as domestic air travel, accommodation and car hire, attract GST. However, activities related to international travel and tourism are generally GST-free:

- passenger transport to or from Australia or between destinations outside Australia
- domestic air travel where the passenger is a non-resident and the travel was purchased while the passenger was outside Australia
- some domestic travel within Australia connected with international transport
- transport insurance connected with the international transport of passengers
- purchasing a service that is used or enjoyed outside Australia.

Where a travel or tourism service is GST-free, any insurances, arrangement fees or commissions associated with it are also GST-free.

Find out about:

- [International travel](#)
- [Domestic travel - Australian residents](#)
- [Travel within Australia - non-residents](#)
- [Transport insurance](#)
- [Commissions](#)

International travel

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To and from Australia

International transport is GST-free if you sell it to passengers travelling to or from Australia (by air or sea) and:

- their last place of departure in Australia is to a destination outside Australia
- it is from a place outside Australia to the first place of arrival in Australia
- it is from a place outside Australia to the same or another place outside Australia.

Outside Australia

Transport booked within Australia for travel outside Australia is GST-free. This covers activities such as coach tours, train transport, hire-cars and ferry passages.

Example: Transport outside Australia

Rachael has booked a trip to England. The itinerary includes coach tours in England and a cross-channel sea voyage. The supply of transport and insurance are GST-free.

Services booked within Australia for use overseas are also GST-free.

Example: Services outside Australia

Dale and her cousin Lauren are planning an overseas trip. They take advantage of a special offer from a local travel agent, and book a return flight from Sydney to London. The supply of air travel is GST-free.

The travel agent also arranges accommodation, car hire in London and a European tour that includes dinner and a show at a night-club in Paris. These arrangements are also GST-free.

See also:

- [Domestic travel - Australian residents](#)
- [Travel within Australia - non-residents](#)
- [Transport insurance](#)

Domestic travel - Australian residents

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Air travel

You can sell domestic air transport GST-free to Australian residents if it:

- is part of an itinerary or arrangement leading to international air transport
- formed part of, or was cross-referenced to, a ticket for international air transport when the arrangement was made.

Example: GST-free air travel

Tanya lives in Brisbane and has booked an overseas trip. She will fly from Brisbane to Sydney to connect with a flight to New York. From New York she will fly to London and then back to Australia, landing in Sydney before flying home to Brisbane. All of Tanya's air travel supplied is GST-free if the Brisbane to Sydney and Sydney to Brisbane flights were booked or committed to at the same time as the international flights.

If the Brisbane to Sydney return flights were booked separately but cross-referenced to the international flights, they are still GST-free.

Sea travel

Domestic sea transport is wholly GST-free for Australian residents if it is part of a journey from:

- Australia to a destination outside Australia, and the transport is provided by the same supplier who transports the passenger from Australia.
- a destination outside Australia to Australia, and the transport is provided by the same supplier who transports the passenger to Australia

Example: International cruise and domestic voyage

Tom and Jane, from Hobart, recently married and will celebrate with an ocean cruise to Fiji that departs from Melbourne. Jill organises a separate sea cruise with a different carrier from Hobart to Melbourne to meet up with the ocean liner.

GST must be paid on the sea leg from Hobart to Melbourne as it is domestic travel and is not provided by the same supplier who transports Tom and Jane to Fiji.

See also:

- [Issue 13 – Treatment of the domestic leg of an international flight](#) of the 'Tourism and hospitality industry issues register'.
- [GSTR 2007/2](#) *Goods and services tax: in the application of paragraph (b) of item 3 in the table in subsection 38-190(1) of the A New Tax System (Goods and Services Tax) Act 1999 to a supply, when does 'effective use or enjoyment' of the supply 'take place outside Australia'?*
- [International travel](#)
- [Travel within Australia - non-residents](#)
- [Transport insurance](#)

Travel within Australia - non-residents

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Air travel within Australia is GST-free for non-residents provided they are outside Australia when they purchase it.

Domestic sea transport is subject to the same GST conditions for non-residents as for [Australian residents](#).

Example: GST-free travel

Nils lives in Sweden and arrives in Australia for a holiday. When he booked his international transport in Sweden, he knew he wanted to visit the Northern Territory and purchased a domestic flight to Darwin as part of his itinerary. Supply of the entire transport including the domestic air travel to Nils is GST-free.

Example: GST payable

Sue-Ellen is an American resident and arrives in Australia for a holiday. While in Sydney she decides to spend a week on the Gold Coast and purchases a ticket direct from a domestic airline. Even though Sue-Ellen is a non-resident, GST will be included in the price of her domestic air ticket.

Example: Mixture

Robyn lives in England and has booked a holiday in Australia. Robyn has

decided to fly to Sydney, catch the ferry to Hobart, fly to Brisbane, cruise on a yacht to Cairns and then fly home. Robyn books the entire travel itinerary while she is in England. Supply of all air travel to Robyn is GST-free; however, supply of the ferry to Hobart and the cruise to Cairns are not GST-free as they are not domestic legs of an international flight or sea voyage.

Travel within Australia is also GST-free for non-residents if it is arranged within Australia as part of a package that is purchased overseas.

Example: Package tour for non-resident tourists

Mac Tours is an Australian business that organises package tours to Australia and then arranges for these packages to be sold in the USA. Part of the package involves the use of domestic air transport from Cairns to Dunk Island. Mac Tours has an agreement with Cal Air to transport non-residents from Cairns to Dunk Island. The international air transport is arranged separately.

Supply of the international flights is GST-free. Supply of the domestic air transport will be GST-free if the following applies:

- there is a binding agreement between Mac Tours and Cal Air that confirms the transport of the non-resident passengers from Cairns to Dunk Island when Mac Tours purchases the domestic transport
- the non-resident passengers are outside Australia when the travel is booked.

See also:

- [International travel](#)
- [Domestic travel - Australian residents](#)
- [Transport insurance](#)

Transport insurance

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If the transport is wholly GST-free, the insurance is also GST-free. This covers international passenger transport and wholly GST-free domestic transport.

See also:

- [GSTR 2000/33](#) *Goods and services tax: international travel insurance*
- [International travel](#)

Commissions

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If you are a travel agent, you may receive fees – such as travel agents' commissions – for arranging transport and land content. A travel agents' commission can be any type of payment for agency services.

If the sale is for GST-free travel, the commission is also GST-free. This applies to registered travel agents and other tourism enterprises, such as:

- airlines
- hotels
- professional conference organisers, who arrange domestic and overseas travel on behalf of another person or persons.

Example: Professional conference organiser

XYZ Co, an entity in Australia, wishes to arrange an executive retreat in New Zealand for 12 of its managers. XYZ Co contracts with Conventions Ltd (a professional conference organiser) to arrange motivational talks, accommodation, meals and sightseeing tours. The transport and other services in relation to the retreat are GST-free, so the commissions received by Conventions Ltd are also GST-free.

See also:

- [GSTR 2000/31](#) *Goods and services tax: supplies connected with Australia.*

Working out the GST

If you provide a combination of taxable sales and GST-free sales, the GST on any commissions for arranging those sales needs to be apportioned.

Example: domestic and international travel

Mike operates a travel agency in Sydney, and has a regular client, Samantha. She is participating in a convention in London and would like to combine this with a short tour of France. However, before the overseas travel, she wishes to travel to the Gold Coast with her family. Further, before departing overseas she needs two days at a Sydney hotel to prepare her papers.

Mike contacts various suppliers to arrange a travel package and price suitable for Samantha.

Mike also arranges for adequate travel insurance cover.

Mike will receive commissions from the various suppliers. To work out the total amount of GST payable on the commissions, he must identify the sales that are:

- taxable
- GST-free
- not subject to GST.

Samantha's itinerary

1. Domestic flight – Sydney-Coolangatta-Sydney – *taxable sale*
2. Accommodation – Coolangatta – *taxable sale*
3. Hire car – Coolangatta – *taxable sale*
4. Hotel accommodation – Sydney two days – *taxable sale*
5. Domestic flight Sydney-Melbourne-Sydney (international flight departs and arrives Melbourne) – *GST-free sale*
6. International flight Melbourne-London-Melbourne – *GST-free sale*
7. Theatre tickets - London – *not subject to GST*
8. European flight – London-Paris-London – *GST-free sale*
9. Accommodation – Paris – *not subject to GST*
10. Car hire – Paris – *not subject to GST*
11. Travel insurance for international and connecting flights – *GST-free sale*
12. Travel insurance for other travel – *taxable sale*

Therefore Mike must pay GST on commissions received for items 1-4 and item 12.

Example: Air travel and cruise

Jill is a travel agent, and arranges a sea voyage to Fiji for her clients' honeymoon. The package provides for the clients to take a connecting domestic flight from their home in Melbourne to Sydney. The ocean liner embarks from Sydney, berths at Brisbane and Cairns then cruises to Fiji and returns to Sydney. Jill receives commissions from both the airline and the cruise-ship operator.

- Domestic flight Melbourne-Sydney-Melbourne – *taxable sale*
- Cruise Sydney-Brisbane-Cairns-Fiji-Sydney – *GST-free*

In this case GST is payable only on the commissions received for the flights.

See also:

- [GSTR 2001/8](#) *Goods and services tax: apportioning the consideration for a supply that includes taxable and non-taxable parts.*

Override commissions

You may receive extra commissions if you achieve set airline ticket sales over a specified period. These additional commissions are known as:

- an override commission
- a bonus commission
- a volume commission.

In most cases, override commissions are given regardless of the GST status of the transport.

The override commissions that relate to arranging GST-free transport are GST-free. Override commissions that relate to taxable transport are taxable.

The payment of an override commission is considered an 'adjustment event' rather than a separate sale, and requires an adjustment to your activity statement.

See also:

- [Adjustment events](#)

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