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GST and food

Detailed information about GST and the food industry.

Definition of food



See what is defined as 'food' under GST law.

Detailed food list



We've made an itemised list of major foods and beverages that you can search for quickly to find out their GST status.

GST-free food



Lists examples of foods and beverages that are GST-free.

Taxable food



Lists examples of food and beverages that are taxable.

GST for food retailers – simplified accounting methods



Describes the simplified GST accounting methods (SAMs) for food retailers and explains when they can be used.

Mixed GST status on food products



Understand when a mixed GST status applies to food.

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GST food classification guidance



Discover the guidance and resources to determine the GST classification of food and non-alcoholic beverage products.

Emerging GST issues for food and beverage products



Check the latest emerging issues on the GST classification of food and beverage products.

QC 28611

Definition of food

See what is defined as 'food' under GST law.

Last updated 17 May 2024

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Items that are defined as food

To work out the GST status of a food or beverage, you must first work out whether it's considered to be food under GST law.

GST law defines 'food' as:

- food for human consumption (whether or not it needs processing or treatment)
- ingredients for food for human consumption
- beverages for human consumption (including water)
- ingredients for beverages for human consumption
- goods to be mixed with or added to food for human consumption (including condiments, spices, seasonings, sweetening agents or flavourings)
- fats and oils marketed for culinary purposes
- any combination of the above.

When GST applies to food

GST applies to food that is:

- food for consumption on the premises it is supplied from
- hot food for consumption away from the premises it is supplied from
- food of a kind listed in the table in **clause 1 of Schedule 1 of the GST Act**
- beverages and ingredients for beverages **not** listed in the table in **clause 1 of Schedule 2 of the GST Act**.
- food as listed elsewhere in GST law.

For more information, review the [Food industry partnership – issues register](#).

Items that are not defined as food

Some animals and plants are not defined as food under GST law until they are processed or treated. These are:

- live animals (other than crustaceans or molluscs)
- unprocessed cow's milk
- any grain, cereal or sugarcane that has not been processed or treated to change its form, nature or condition
- plants under cultivation that will be able to be consumed (without further processing or treatment) as food for human consumption.

Any food labelled or specified for animals is not food under GST law, as it is not for human consumption. For more information, see [Pet food](#).

The GST status of some food products will depend on whether they are for use as food or not. For more information see [Food products with alternative \(non-food\) uses](#).

QC 81543

Detailed food list

We've made an itemised list of major foods and beverages that you can search for quickly to find out their GST status.

Last updated 3 May 2018

To check if a food or beverage item is GST-free or taxable, you can use the food and beverage search tool or search the detailed food list.

Next steps

- [GST food and beverage search tool](#)

- **Detailed food list** – view the online searchable version, or download the PDF printable version

Protection under this ruling

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953* (TAA).

A public ruling expresses the Commissioner's opinion on the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you – in which case the law may be applied to you in a way that is more favourable for you, provided the Commissioner is not prevented from doing so by a time limit imposed by the law).

You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

Context of this ruling

This ruling applies in the following context:

1. Except where the item in the detailed food list indicates to the contrary, the goods and services (GST) status of an item has been set out on the basis that the food is not supplied as a dine-in or hot takeaway food or beverage item. The GST status is also provided on the basis that the requirements for the supply to be a taxable supply under paragraphs 9-5(a) to (d) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) have been satisfied.
2. The supply of food that is for consumption on the premises from which it is supplied, or the supply of hot food for consumption away from those premises, is a taxable supply where the requirements for a supply to be a taxable supply under paragraphs 9-5(a) to (d) of the GST Act are satisfied.

See also

- Section 38-2 of the *A New Tax System (Goods and Services Tax) Act 1999*

QC 21480

GST-free food

Lists examples of foods and beverages that are GST-free.

Last updated 1 August 2023

Even if a food item appears in the GST-free list below, it may still be subject to GST under one of the taxable rules. For example, bread rolls are GST-free **unless** they are sold in a restaurant.

Always check the **Taxable food** list when working out the GST status of a food item.

Examples of GST-free foods

The following are some examples of foods and beverages that are GST-free:

- bread and bread rolls without a filling or a sweet coating (such as icing). A glaze is not considered a sweet coating.
- cooking ingredients, such as flour, sugar, pre-mixes and cake mixes
- fats and oils for cooking
- unflavoured milk, cream, cheese and eggs
- spices, sauces and condiments
- bottled natural water with no additives
- fruit or vegetable juice (of at least 90% by volume of juice of fruit or vegetables)
- tea and coffee (unless sold ready-to-drink)
- infant formula (for children under 12 months of age)

- all meats for human consumption (except prepared meals or savoury snacks)
- fruit, vegetables, fish and soup (fresh, frozen, dried, canned or packaged)
- spreads for bread (such as honey, jam and peanut butter)

For more information, use the [Detailed food list](#) to check if a food or beverage is taxable or GST-free.

QC 81545

Taxable food

Lists examples of food and beverages that are taxable.

Last updated 17 May 2024

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[Confectionery](#)

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Taxable foods and beverages

The following are some examples of foods and beverages that are taxable:

- bakery products, such as cakes, pastries, pies, sausage rolls, bread and bread rolls with a sweet filling or topping
- biscuits, crispbreads, crackers, cookies, pretzels, cones and wafers
- [savoury snacks](#)
- [confectionary](#), ice-cream and similar products
- non-alcoholic carbonated beverages that consist of less than 100% by volume of fruit or vegetable juice
- non-alcoholic non-carbonated beverages that consist of less than 90% by volume of fruit or vegetable juice
- flavoured milk, carbonated or flavoured water and sports drinks
- all food and beverages for consumption on the premises from which they are supplied, and takeaway [hot food](#)
- food marketed as [prepared meals and some prepared food](#), including [platters](#)
- any food not for human consumption
- [nutritional supplements](#)
- [pet food or any food labelled or specified for animals](#).

Use the Detailed food list to check if a food or beverage is taxable or GST-free.

Nutritional supplements

The supply of nutritional supplements, including vitamins and minerals, supplied in a capsule, caplet or tablet form, are taxable supplies.

This is because nutritional supplements are not considered to be food for human consumption. For more information about this see the Food Industry Partnership – issues register Issue 21.

Pet food

Pet food is taxable. Any food labelled or specified for animals is not 'food' under GST law, as it is not for human consumption.

Prepared meals

Prepared meals are taxable. A 'prepared meal' is a food that:

- directly competes with take-aways and restaurants
- needs refrigeration or freezing for storage, and
- is marketed as a prepared meal but is not soup (soup is GST-free).

When working out whether food is a prepared meal, consider:

- how the goods are promoted or advertised
- the name, price, labelling, instructions, packaging and placement of the goods in the store.

Examples of prepared meals include:

- curry and rice dishes, mornays and similar dishes sold cold that only need reheating to be ready for eating
- fresh or frozen lasagne
- sushi
- cooked pasta dishes sold complete with sauce
- frozen TV dinners
- fresh or frozen complete meals (for example, a single serve of a roast dinner, including vegetables or a low fat dietary meal).

All these meals, except sushi, only need reheating for them to be ready to eat. Sushi is ready to eat when it is prepared even though part of it is raw. It does not matter whether prepared meals are supplied hot or cold, or need cooking or reheating.

Salads, including pasta, rice, coleslaw, meat, seafood and green salad, sold from salad bars at supermarkets in either the delicatessen section or from a self-serve bar, are GST-free only if they are not marketed as prepared meals.

Examples of food items that are not 'prepared meals' include:

- frozen vegetables
- raw kebabs (uncooked skewered meat)
- marinated meats and stir-fries

- uncooked pasta products
- fish fingers
- canned baby food, baked beans, spaghetti and Irish stews that do not require refrigeration or freezing.

Canned baby food, baked beans and spaghetti are not 'prepared meals' as they do not meet the condition of needing refrigeration or freezing (until opened) for their storage.

Example: prepared meals

A supermarket sells lasagne in a box from the frozen food section. The instructions on the box say that the product can be reheated by oven baking or microwave.

The lasagne is a prepared meal as the product only needs heating before serving.

Platters and similar arrangements of food

Platters and other similar arrangements of food are taxable. Platters can include fruit, vegetables, cheese, cold meats or a mixture of foods.

A platter is a large shallow dish, commonly oval, for serving food items. Usually a platter or arrangement of food can be uncovered and placed on a table ready for serving (for example, a catering product at a barbeque).

Example: gourmet platters

Susie's Gourmet Foods sells trays of gourmet food to customers for parties and other functions. One of these trays contains an arrangement of antipasto products, including cold meats, sun-dried tomatoes, pickled vegetables, bread sticks, biscuits and other items chosen by the customer. This product is a platter and is taxable.

However, if Susie sold each of the items in a separate plastic container with a lid and the customer emptied the containers and

placed the food on a serving tray, the sale would not be a platter. Susie would work out the GST status of each item individually (for example, the sun-dried tomatoes would be GST-free, the biscuits would be taxable, and so on).

Example: prepared vegetables – not defined as a platter

Adam's supermarket sells pumpkin that is chopped into pieces ready for roasting. There are four to six pieces of pumpkin on each plastic tray covered in plastic wrap. This product is not a platter.

Savoury snacks

Savoury snacks are taxable. Generally, foods that were savoury snacks for wholesale sales tax purposes are also classed as savoury snacks for GST purposes. Some specific points are:

- caviar and other fish roe products are specifically included as savoury snacks and are taxable
- seeds and nuts that have been processed or treated by salting, spicing, smoking, roasting or similar processing or treating, are taxable. However, raw nuts are GST-free.

Confectionery

Confectionery is subject to GST. Confectionery includes food that is marketed as confectionery, such as:

- chocolate
- lollies
- muesli bars
- glace fruit.

However, candied peel is not classed as confectionery and is GST-free.

Hot food

'Hot food' is defined as food for consumption that has been heated above the surrounding air temperature. Hot and cold food supplied as a single item for consumption away from the **premises** (such as sausage and onion on a slice of bread) is subject to GST.

Food you sell while it is still warm because it happens to be freshly cooked (for example, freshly baked bread) is GST-free, unless it falls under another category of taxable food.

QC 81546

Mixed GST status on food products

Understand when a mixed GST status applies to food.

Last updated 17 May 2024

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Food products with alternative (non-food) uses

Some GST-free food products have alternative non-food uses.

The supplier must work out whether the item is for human consumption (GST-free) or is a non-food product (taxable). You can work this out by considering the:

- physical product
- nature of the sale.

For example, you might decide a food product is for non-food use because the product is:

- called something other than food
- stored in conditions or containers that are not suitable for food
- packaged in a non-food type package or container
- labelled, invoiced or marketed as a non-food product
- delivered in a way not suitable for food.

Example: food product with an alternative (non-food) use

Vinegar sold as a condiment is GST-free as it is added to food for human consumption. Vinegar sold as a household cleaner is not GST-free because it is not a sale of food for human consumption.

Snack packs

Snack packs can contain a combination of GST-free and taxable goods. How you treat them for GST purposes depends on their contents and packaging.

Example: snack packs

Where a GST-free food item is packaged together with a taxable food item (for example, cheese and biscuits) as a snack pack, it is subject to GST. The snack pack is taxable as the items are packaged together, marketed and sold as a single product.

Hampers and combination supplies

Where a mix of individually commercially packaged GST-free and taxable goods is packed and sold together you tax these items individually as a mixed sale. For example, a product containing a packet of biscuits, a box of chocolates, a coffee cup and a jar of coffee is a mixed supply. This hamper product contains biscuits, chocolates and cup which are taxable and the coffee is GST-free.

However, food products that are a combination of taxable and GST-free food components are taxable. A combination food is different to a hamper. You can use the principles in Goods and Services Tax Determination GSTD 2024/1 *Goods and services tax: supplies of combination food*, to determine what is a combination food.

Food past its use-by date

Food past its use-by date is not automatically unfit for human consumption but you can use the use-by date as a guide to work out whether the food is suitable for human consumption.

If the food is not safe for human consumption, it is not considered food under GST law and is therefore taxable.

QC 81547

Marketing and the GST classification on food

How the way food items are marketed affects their GST status.

Last updated 17 May 2024

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How a product is marketed affects the GST classification

The way food items are marketed affects their GST classification.

Marketing includes:

- how goods are promoted or advertised
- the name, price, labelling, instructions, packaging and placement of the goods in the store.

Products that are GST-free

The following products are GST-free:

- fats and oils marketed for culinary purposes
- malt extract marketed mainly for drinking
- preparations that are marketed mainly as tea, coffee, or malted beverages
- preparations marketed mainly as substitutes for tea, coffee or malted beverages
- dry preparations marketed to flavour milk
- beverages and ingredients for beverages marketed mainly as food for infants or invalids.

The following products are taxable:

- food marketed as a prepared meal, excluding soup
- food marketed as confectionery
- food marketed exclusively as ingredients for confectionery
- flavoured ice-blocks, whether frozen or not.

Definition of premises

How 'premises' is defined in the GST Act.

Last updated 17 May 2024

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[How premises is defined](#)

What food GST applies to

GST applies to food that is to be:

- consumed on the premises it is supplied from
- hot and to be consumed away from the premises it is supplied from.

How premises is defined

Premises is defined in the GST Act as:

- the place where the sale takes place, for example, a
 - supermarket
 - restaurant
 - cafe
 - snack bar
 - hotel
 - club
 - reception lounge
 - aircraft

- boat
- train
- venue for catered functions
- food court where tables are supplied for customers of food retailers
- the grounds surrounding restaurants, cafes, snack bars, hotels, clubs, reception lounges and venues for catered functions
- any venue associated with leisure, sport or entertainment, with clear boundaries or limits, including
 - football grounds
 - sports grounds
 - golf courses
 - gyms
 - ice-skating rinks
 - motor racing circuits
 - racecourses
 - swimming pools
 - tennis centres
 - tenpin bowling alleys
 - air-show venues
 - theatres
 - exhibition halls
 - theme parks
 - showgrounds
 - aquariums
 - galleries
 - gardens
 - museums

- zoos
- cinemas
- concert halls
- entertainment centres
- amusement parks arcades.

The definition of 'premises' does not include public thoroughfares, unless an area has been designated for use in connection with a food supply outlet.

For more information, see *GSTD 2000/5 Goods and Services Tax: when is a supply of food, in terms of paragraph 38-3(1)(a) of the A New Tax System (Goods and Services Tax) Act 1999, 'for consumption on the premises from which it is supplied'?*

QC 81549

Food packaging

How GST applies to food packaging.

Last updated 17 May 2024

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[Packaging products](#)

[Definition of normal and necessary packaging](#)

Packaging products

Packaging products are generally subject to GST when they are purchased. You can claim a GST credit for any GST included in the price of packaging for your business.

When packaging is supplied with or around food and it is '[normal and necessary](#)' for the sale of the food, the GST treatment of the packaging is usually the same as the GST treatment of the food (that is, the packaging around GST-free food is also GST-free).

Example: Packaging

Richard is a breakfast cereal manufacturer. He buys 50,000 cardboard boxes from a paper manufacturer for \$22,000, including \$2,000 GST. The sale is subject to GST as the boxes do not contain any food. Packaging is not 'packaging for food' until it contains, and is sold with, food.

Richard then packs breakfast cereal in the cardboard boxes and sells boxes of breakfast cereal to a retailer for \$100,000. The sale of the breakfast cereal is GST-free. The packaging (cardboard box) is also GST-free as it contains the breakfast cereal and is considered normal and necessary packaging for food.

If Richard packs the cereal in re-usable plastic containers, the containers are taxable, as they are not considered normal and necessary packaging for the breakfast cereal.

Definition of normal and necessary packaging

Normal and necessary packaging of GST-free food is GST-free.

Where the purpose of packaging is simply to contain, protect and promote food, it is seen as a 'normal and necessary' part of the supply of the food. For:

- individual items, normal and necessary packaging includes tins, bottles, jars and boxes
- a group of items, normal and necessary packaging includes the carton or box that contains a number of individual items.

Packaging that is not ordinarily considered normal and necessary will be considered to be normal and necessary (and, therefore, GST-free) when it meets all these criteria. It is:

- packaging GST-free food

- not charged at a separate price
- the cost price of the packaging is the lesser of
 - \$3 excluding GST
 - 20% of the wholesale value of the total sale.

This includes items that would attract GST if sold separately, such as:

- paper and plastic bags you supply free of charge to a customer for groceries
- containers, spoons, straws or similar objects if they
 - are provided free to help purchasers prepare or consume the food
 - have no lasting value (for example, they are disposable).

Packaging that is more than what is considered normal and necessary for the sale of the food is taxable. For example, if you supply breakfast cereal in a re-usable plastic container, the container is taxable. The sale would be:

- partly taxable (container)
- partly GST-free (cereal).

Special promotional food packaging (for example, a rack for spices) is not normal and necessary. Promotional items that accompany food and packaging are also not normal and necessary (for example, drink containers and recipe books of lasting value). You must separately work out the tax on:

- promotional items accompanying the food
- packaging and items that are usually supplied separately.

QC 81550

GST food classification guidance

Discover the guidance and resources to determine the GST classification of food and non-alcoholic beverage products.

Last updated 27 August 2024

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How to check your business systems, processes and controls

You can use our self-review guide and checklist to:

- undertake regular self-reviews of the GST classification of your supplies
- assess the robustness of your business systems, processes and controls that directly impact your GST classification decisions.

Carrying out regular reviews will help you determine:

- the extent of any GST product classification risk in your business
- any corrective action that is required to address the identified gaps in your systems, processes and controls.

See the self-review guide for medium to large businesses and the self-review checklist for small to medium businesses.

Use these tools to check your GST product classification

The easiest way to work out the GST classification of your food or non-alcoholic beverage product is using the:

- [detailed food list](#)
- [food and beverage search tool](#)
- [National Product Catalogue](#).

If you can't find the GST classification for your food or non-alcoholic beverage product using these, [check our GST public advice and guidance](#) or emerging issues and advice under development.

Detailed food list

You can use the itemised **detailed food list** (DFL) to check the GST status of major food and beverage product lines. The list includes items from A to Z, which you can quickly search. There's also a table that outlines changes made over time for your reference.

The DFL is a public ruling for the purposes of the *Taxation Administration Act 1953*.

Food and beverage search tool

You can use the **food and beverage search tool** to search the DFL and check if your food or non-alcoholic beverage product is GST-free or taxable. This tool allows you to type in your food or beverage, rather than search manually through the itemised detailed food list.

National Product Catalogue

You can use the [National Product Catalogue \(NPC\)](#) , previously known as GS1net, from barcode provider GS1 Australia to determine the GST classification of certain food and beverage products.

We have an arrangement with GS1 Australia to ensure food and beverage products shown on the NPC are correctly classified for GST purposes. Manufacturers and suppliers can ask us to confirm the GST status of their food or beverage products through the NPC when they publish their product information.

This arrangement is set out in **PS LA 2012/2 (GA)**, which outlines the administrative approach we will take for past years or periods where manufacturers and other suppliers have applied our confirmed GST classification on the NPC.

It is important to note that the items listed on the NPC are very product-specific and GST classifications apply specifically to the

particular listed item.

Check our GST public advice and guidance

Our public advice and guidance for the GST classification of food and beverage products will help you understand how the law applies to you.

Refer to the published GST bulletins, determinations, and rulings on food classification:

- **GST Bulletin GSTB 2001/1** *Pulses supplied as food for human consumption*
- **Goods and Services Tax Determination GSTD 2000/4** *Goods and services tax: what does the word 'premises' mean in the expression, 'a supply of food for consumption on the premises from which it is supplied'?*
- **Goods and Services Tax Determination GSTD 2000/5** *Goods and services tax: when is a supply of food, in terms of paragraph 38-3(1)(a) of the A New Tax System (Goods and Services Tax) Act 1999, 'for consumption on the premises from which it is supplied'?*
- **Goods and Services Tax Determination GSTD 2000/6** *Goods and services tax: when is the supply of food packaging GST-free in terms of section 38-6 of the A New Tax System (Goods and Services Tax) Act 1999?*
- **Goods and Services Tax Determination GSTD 2002/2** *Goods and services tax: what supplies of fruit and vegetable juices are GST-free?*
- **Goods and Services Tax Determination GSTD 2002/3** *Goods and services tax: how do I account for GST when I supply taxable goods, non-taxable goods and delivery services together?*
- **Goods and Services Tax Determination GSTD 2008/2** *Goods and services tax: are supplies of food known as breakfast bars GST-free?*
- **Goods and Services Tax Determination GSTD 2024/1** *Goods and services tax: supplies of combination food*
- **Goods and Services Tax Ruling GSTR 2001/8** *Goods and services tax: Apportioning the consideration for a supply that includes*

taxable and non-taxable parts.

You can also see our emerging issues and advice under development.

When our view should be applied prospectively

When providing advice, guidance or taking compliance action, we generally apply our view of the law from the date of effect of the relevant legislation.

However, in some situations we may apply our view prospectively only. This means it will apply from a future date, not to prior years or periods.

You can find more information in PS LA 2011/27 *Determining whether the ATO's views of the law should be applied prospectively only*.

If we decide to apply our view prospectively only, we will advise you of our decision and the reason for it. However, we will reverse that decision where there is evidence of fraud, evasion, or tax avoidance.

Contact us about your food or beverage product classification

If you're still uncertain about your GST classification decisions, you can seek further support, guidance and assistance using **tailored technical assistance**.

QC 81551

Emerging GST issues for food and beverage products

Check the latest emerging issues on the GST classification of food and beverage products.

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Emerging issues

We publish the emerging GST issues we're seeing to give you early information when we are:

- considering whether new or updated public guidance is needed for new products or products that have changed over time.
- identifying common misunderstandings or issues on specific product types to help you correct any misclassification.

We'll update these emerging issues on a regular basis. You can also find more information about the **GST food classification guidance** and resources we have available.

Rice cakes

Our current view on rice cakes is explained in **Issue 26 – Are crispbreads and rice cakes subject to GST?**. It outlines that only rice cakes made principally from compressed cereal are GST-free.

However, the **detailed food list (DFL)** entry 656 currently lists that all rice cakes as GST-free, despite including a note implying it only covers rice cakes made principally from compressed cereal.

We're reviewing DFL entry 656 to make it clearer and easier to understand that not all rice cakes are GST-free.

While this entry is being reviewed, you can choose to rely on either DFL entry 656 or Issue 26 as they both are public rulings.

Toddler formula

Item 13 of Schedule 2 provides that 'beverages, or ingredients for beverages, of a kind marketed principally as food for infants or invalids' are GST-free. **Issue 14 – Beverages for infants** outlines our current view that an infant is defined as a person up to the age of 12 months. Based on our current view, formula which is marketed principally for children above the age of 12 months is not GST-free.

Since Issue 14 was published, there has been significant developments in the industry and we've received feedback asking us to review if an infant can be a person beyond the age of 12 months.

We're reviewing our view on how GST applies to toddler formula marketed principally for children above the age of 12 months. We won't devote compliance resources to these products until this review is completed.

You can be updated about this review by checking our [public advice and guidance under development page](#).

Dried or dehydrated fruit for adding to beverages

Through our compliance and advising work we have identified that dried or dehydrated fruits that are designed for flavouring, or decorating alcoholic beverages are commonly misclassified.

Our view is that these products are taxable because they are ingredients for beverages and are not GST-free under **Schedule 2**.

We acknowledge that the **DFL entry 356** lists 'fruit (fresh, dried, canned, packaged)' as GST-free. We're reviewing this entry to make it clear that it is only GST-free when the use of the product is not for the purpose of adding to beverages (based on the design and marketing of the product). A dried or dehydrated fruit product is taxable when it is designed and marketed as an ingredient for a beverage.

You can rely on DFL entry 356 that lists 'fruit (fresh, dried, canned, packaged)' as GST-free while it's being reviewed.

Fruit bars and strips

Fruit bars and strips that are confectionery or marketed as confectionery are taxable. **Item 8 of Schedule 1** provides that confectionery, food marketed as confectionery, food marketed as ingredients for confectionery or food consisting principally of confectionery are not GST-free. **Issue 12 - Food marketed as confectionery or ingredients for confectionery** provides guidance on the application of **Item 8 of Schedule 1**.

DFL entry 361 states fruit bars and strips are only GST-free when they're made from 100% of fruit ingredients.

A previous DFL entry that was removed in 2011, listed fruit snacks (including processed fruit bars and strips) with a sugar content less than 40% as GST-free.

We are considering if further public guidance should be developed to determine whether fruit bars and strips that are not made from 100% of fruit ingredients will be taxable. Until the review is completed, DFL entry 361 and Issue 12 should be followed when classifying fruit bars and strips.

Food versus supplements

Our current view on supplements is set out in **Issue 21 - Vitamins and minerals**. The supply of nutritional supplements, including vitamins and minerals, supplied in a capsule, caplet or tablet form, are taxable supplies. This is because the essential character of a supplement is not considered to be food for human consumption under paragraph 38-4(1)(a) of the GST Act.

We're reviewing this guidance to determine if further guidance should be developed to explain the principles to distinguish food and supplements. Any such guidance would need to cover principles that help determine which of the following 3 possible classification outcomes apply to a product:

- not food - taxable
- food that is not an ingredient for a beverage - GST-free, if the product is not of a kind of food listed in **Schedule 1**.
- food that is an ingredient for a beverage - taxable, unless the food is of a kind listed on **Schedule 2**.

Dried or crispbread products

Item 32 of Schedule 1 provides that food that is, or consists principally of, biscuits, cookies, crackers, pretzels, cones or wafers are not GST-free. Issue 26 – Are crispbreads and rice cakes subject to GST? explains that crispbreads fit within the definition of a *biscuit* and are subject to GST. It also states that dried bread products, such as oven baked toasts, mini toasts and rusks, are not considered to be crispbreads.

DFL entry 1296 currently lists all grissini (bread sticks) as GST-free. This entry is too broad as some bread sticks could be crispbreads and therefore subject to GST.

We're reviewing the principles from the **Lansell House court decision** to determine if our guidance about dried or crispbread products, including DFL entries, needs to be updated.

QC 102968

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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