

*(Forum Island Preference Declaration)*

*(Countries that are Forum Island Countries - Cook Islands, Fiji, Kiribati, Republic of Marshall Islands, Federated States of Micronesia, Nauru, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, Samoa)*

*(SUPPLIERS LETTERHEAD)*

Date

We hereby declare that in regard to the goods described on Invoice No..... of .....  
(date),

- a) the last process of manufacture was performed in the ..... (*Forum Island Country*);  
and
- b) having regard to their qualifying area, their allowable factory cost is not less than 50% of  
their total factory cost.

Yours truly,

## CUSTOMS ACT 1901

### SECTION 153B

#### Definitions

*qualifying area*, in relation to particular preference claim goods, means:

- (d) if the goods are claimed to be the manufacture of a Forum Island Country — the Forum Island Countries, Papua New Guinea, New Zealand and Australia;

*total factory cost*, in relation to preference claim goods, means the sum of:

- (a) the total expenditure of the factory on materials in respect of the goods, worked out under section 153C; and  
(b) the allowable expenditure of the factory on labour in respect of the goods, worked out under section 153F; and  
(c) the allowable expenditure of the factory on overheads in respect of the goods, worked out under section 153G.

#### - SECTION 153C

##### Total expenditure of factory on materials

The total expenditure of a factory on materials in respect of preference claim goods is the cost to the manufacturer of the materials in the form they are received at the factory, worked out under section 153E.

#### - SECTION 153D

##### Allowable expenditure of factory on materials

(1) Subject to the exceptions set out in this section, the allowable expenditure of a factory on materials in respect of preference claim goods is the cost to the manufacturer of those materials in the form they are received at the factory, worked out under section 153E.

(2) If:

- (a) preference claim goods (other than goods wholly manufactured from unmanufactured raw products) are manufactured, in whole or in part, from particular materials; and  
(b) those particular materials, in the form they are received at the factory, are imported from a country outside the qualifying area;  
there is no allowable expenditure of the factory on those particular materials.

#### - SECTION 153F

##### Allowable expenditure of factory on labour

- (1) Allowable expenditure of a factory on labour in respect of preference claim goods means the sum of the part of each cost prescribed for the purposes of this subsection:
- (a) that is incurred by the manufacturer of the goods; and  
(b) that relates, directly or indirectly, and wholly or partly, to the manufacture of the goods; and  
(c) that can reasonably be allocated to the manufacture of the goods.

#### SECTION 153G

##### Allowable expenditure of factory on overheads

- (1) Allowable expenditure of a factory on overheads in respect of preference claim goods means the sum of the part of each cost prescribed for the purposes of this subsection:
- (a) that is incurred by the manufacturer of the goods; and  
(b) that relates, directly or indirectly, and wholly or partly, to the manufacture of the goods; and  
(c) that can reasonably be allocated to the manufacture of the goods.