



Australian Government  
Department of Home Affairs



Australian  
**BORDER FORCE**

# Australia's E-Commerce experience

Goods and Service Tax (GST) on low value  
imported goods

WTO Informal Working Group on Micro, Small and Medium-sized Enterprises

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# E-Commerce priorities

Revenue collection is part of Australia's comprehensive approach to Cross-Border E-Commerce

Australia's priorities in Cross-Border E-Commerce	Today's presentation	
Technology  Data  Border Cooperation  Regulation  Authorised Economic Operator Scheme  International Engagement  Revenue Collection	Revenue Collection	GST on low value imported goods
	De Minimis Thresholds	De minimis Duties, taxes and reporting

# Australia's revenue system at the border

Customs Duty

Goods and Services Tax (GST)

Wine Equalisation Tax (WET)

Luxury Car Tax (LCT)

Excise equivalent customs duty

The Department of Home Affairs, through the Australian Border Force (ABF), is responsible for customs and revenue collection at the border.

The Department of Treasury sets revenue policy and the Australian Taxation Office (ATO) is the principal collection agency for taxes and excise.

# De minimis

Australia's de minimis threshold reflects broader policy settings across customs, tax and federal financial relations

## Australia's de minimis thresholds

- Customs duties – AUD\$1,000
- GST – AUD\$1,000

## Australia's reporting threshold

- AUD\$1,000



Air and sea

- Self-assessed clearance (SAC) must be lodged



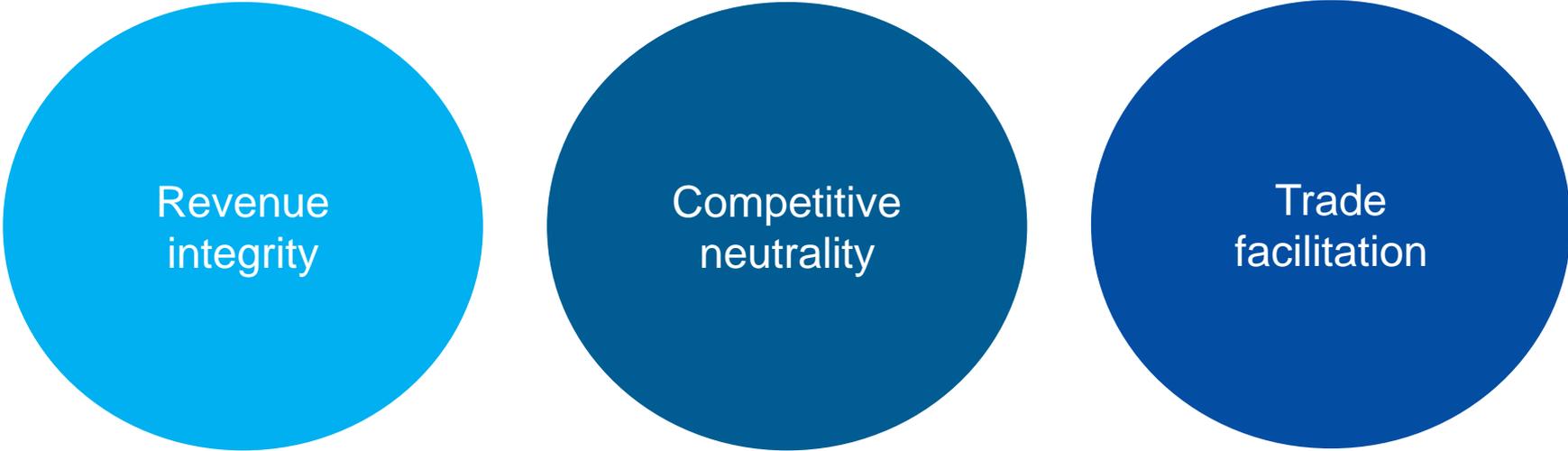
International mail

- SAC not required for goods that arrive by international mail



# Revenue collection

E-Commerce presents challenges for revenue collection at the border



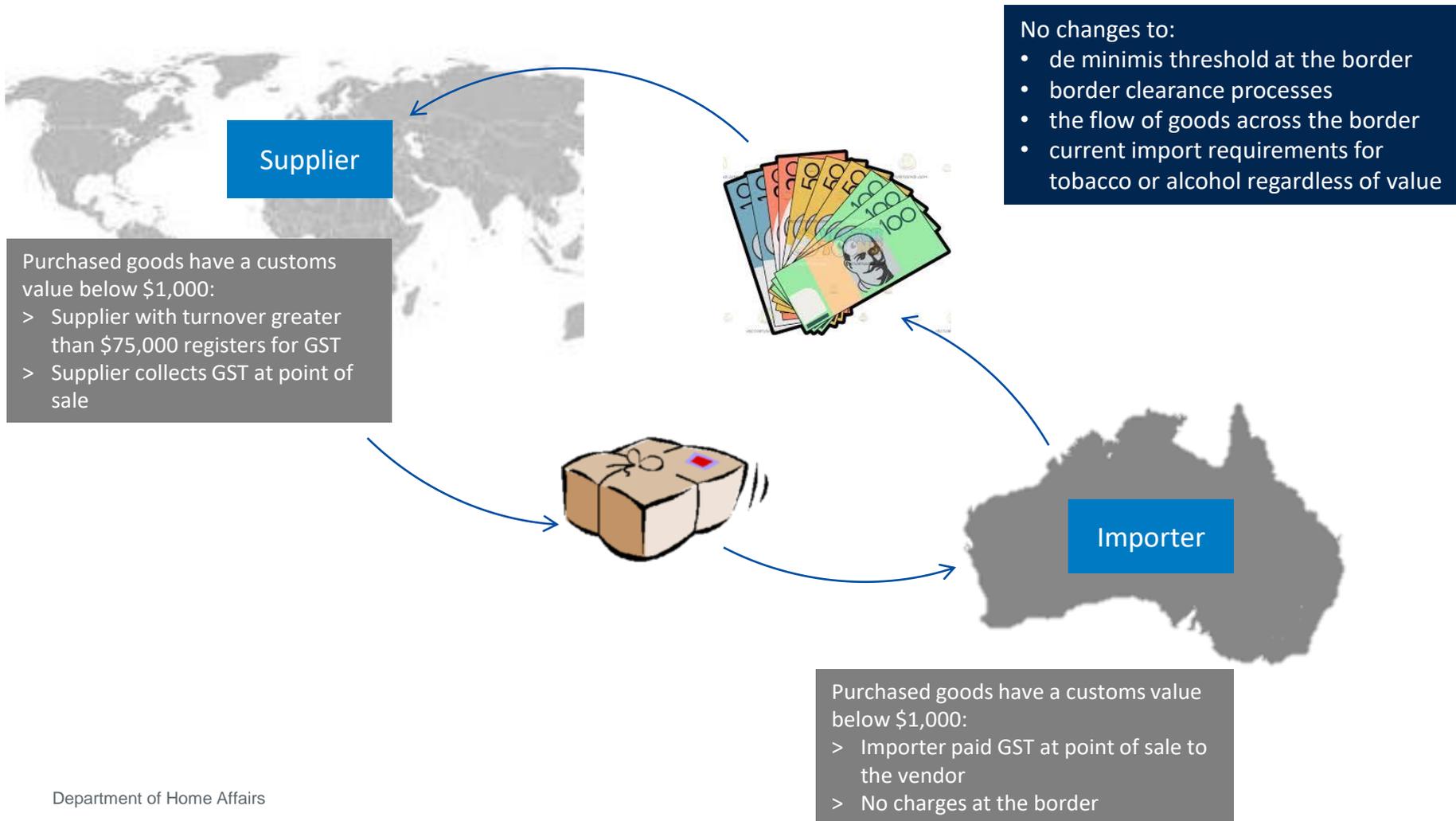
Revenue  
integrity

Competitive  
neutrality

Trade  
facilitation

# GST on low value imported goods

Australia implemented a new revenue collection model on low value imports from 1 July 2018



# GST on low value imported goods

A simplified registration system supports industry compliance and registration

Overseas businesses have two registration options:

1. Australia's standard domestic GST registration system
2. a simplified online registration process designed for international businesses

## Key elements of simplified GST

Minimal proof of identity to register

ATO reference number

Cannot issue tax invoices

Remit GST less frequently (quarterly)

Flexible electronic payment options

# GST on low value imported goods

## Compliance

### Compliance approach

#### Tax compliance

- ATO compliance activities have focused on assisting entities to register and ensuring they are reporting the GST collected
- A review of the revenue collection model will take place after two years.

#### Border

- Three new fields were created in the Integrated Cargo System (ICS) to allow the capture of additional information, where available.
- If the information is not supplied transporters and brokerage services can continue with their regular import processes.

### Compliance outcomes

#### Registration

- More than 1,700 businesses are registered, including major platforms and suppliers.
- The percentage of registered entities lodging the required GST Returns is equivalent to Australia's domestic GST registered population.
- ATO compliance activities have achieved very good results for registration and lodgement without the need to use formal recovery powers.

#### Revenue

- As of June 2020, these entities had reported \$386 million of GST on supplies of low value goods.

# Trade facilitation and MSMEs

The model delivers many benefits for MSMEs

## Trade facilitation at the border

Maintains processes so that individual MSMEs do not need to fulfil full customs requirements at the border

Retains the A\$1000 de minimis threshold at the border for duty, tax and reporting obligations

## Decreased trade costs

Streamlines GST registration and collection for businesses that only make sales through an online marketplace

Supports MSME trade by assigning reporting and collection requirements to marketplaces and high volume traders



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