



Australian Government
Department of Home Affairs



Australian
BORDER FORCE

Australia's E-Commerce experience

Revenue collection and the WCO Cross-Border E-Commerce Framework of Standards

WCO Knowledge Academy
September 2020

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 | Standard 7 Models of Revenue Collection |
| | De Minimis Thresholds | Standard 8 De minimis |
| | Framework of Standards | Key Performance Indicator Framework |

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

National circumstances

- GST is collected by the federal government, and transferred to state and territory governments
- Changes to rate and base require intergovernmental dialogue



Revenue collection

E-Commerce presents challenges for revenue collection at the border

Revenue
integrity

Competitive
neutrality

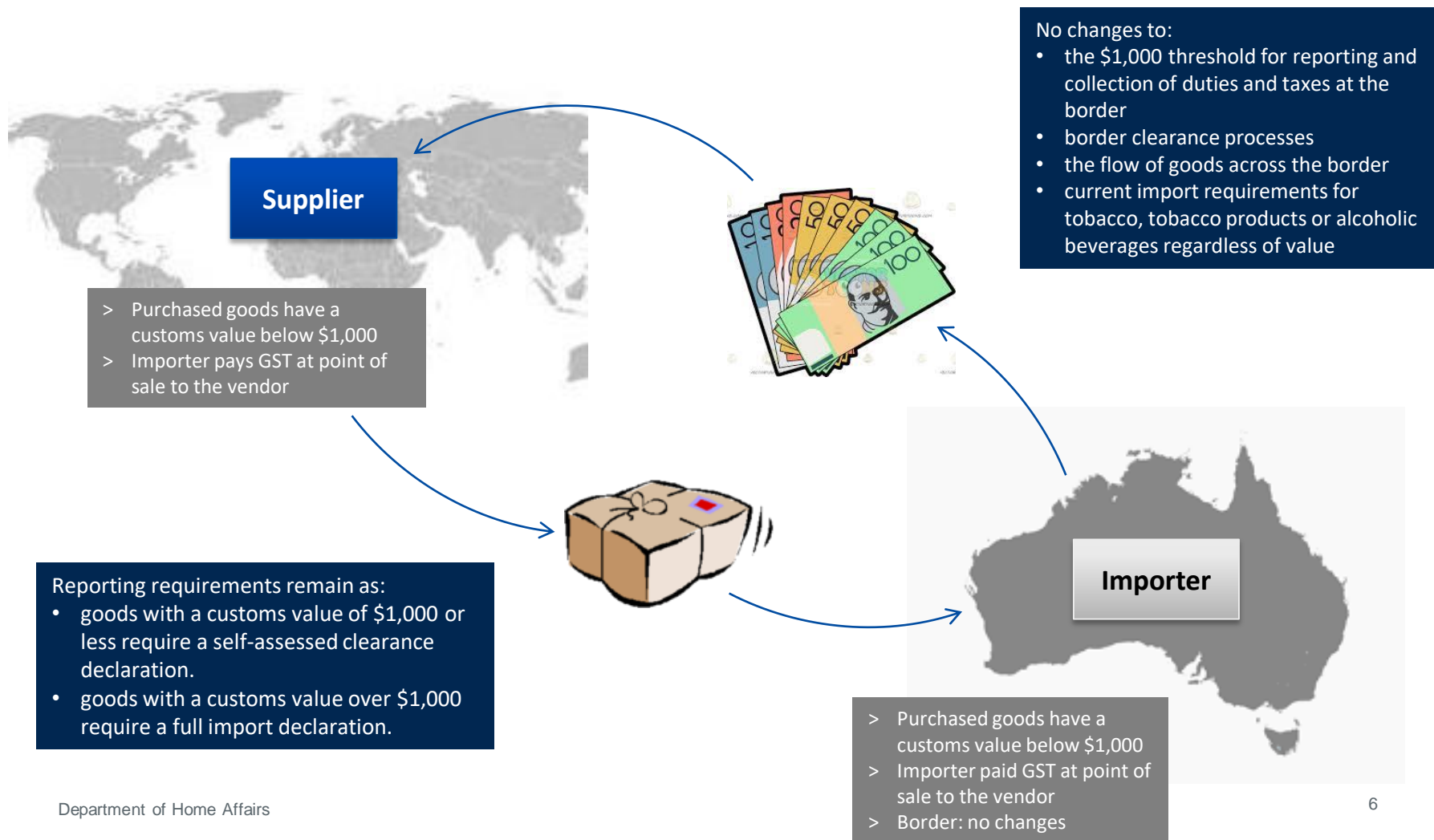
Trade
facilitation

Standard
7

Revenue collection models: *Customs administrations, working with appropriate agencies or Ministries, should consider applying, as appropriate, various types of models of revenue collection (e.g., vendor, intermediary, buyer or consumer, etc.) for duties and/or taxes.*

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

Compliance

Compliance approach

Tax compliance

- ATO compliance activities have focused on making sure entities are registered and 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

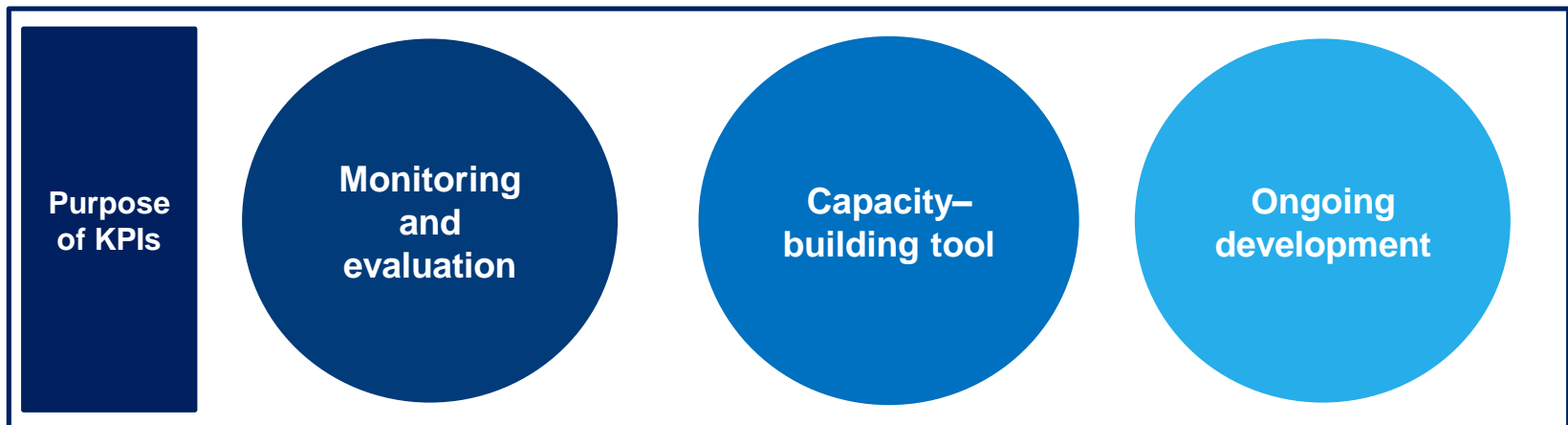
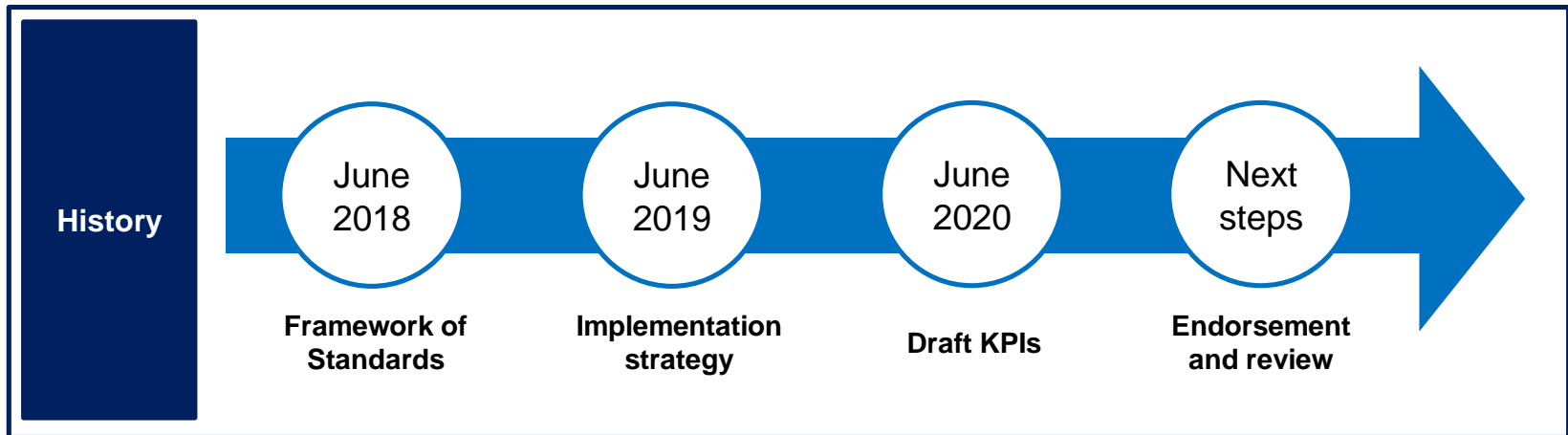
- As of July 2019, these entities had reported \$348 million of GST on supplies of low value goods.

Key Performance Indicator (KPIs)

WCO Cross-Border E-Commerce Framework of Standards

Key Performance Indicators (KPI)

Implementing the WCO Cross-Border E-Commerce Framework of Standards



Key Performance Indicators

Each KPI has three components

WCO Framework of Standards on Cross-Border E-Commerce– Key Performance Indicators

For each indicator, please provide:

- an assessment of your country’s progress to implement the Standard, in accordance with the implementation scale below.
- responses to the capacity-building questions that correspond to your country’s assessed implementation level for that indicator, and
- if applicable, responses to the additional information that is requested under each Standard.

| Level* | Monitoring |
|--------|---|
| 1 | Not applicable WCO Member has no intention to implement the Standard |
| 2 | Not implemented (with issues) WCO Member intends to implement the Standard, but is facing difficulties to move forward with implementation |
| 3 | Progressing with implementation WCO Member is currently considering measures to implement the Standard and/or testing options |
| 4 | Finalising implementation WCO Member has developed measures to implement the Standard and is working through legislative, administrative and/or operational processes to operationalise those measures. |
| 5 | Implementation complete WCO Member has developed and implemented the Standard |

* Country’s implementation level

| Level* | Capacity Building |
|--------|--|
| 1 | <ul style="list-style-type: none"> • Why has your country decided not to implement this Standard? |
| 2 | <ul style="list-style-type: none"> • What difficulties is your country facing to implement this Standard? • How could capacity building assist you to overcome these difficulties? |
| 3 | <ul style="list-style-type: none"> • What steps has your country taken to develop measures to implement this Standard (e.g. internal policy development, public consultations, testing/trials)? • Has your country faced difficulties in developing measures to implement this Standard? • If yes, how could capacity building assist you to overcome these difficulties? |
| 4 | <ul style="list-style-type: none"> • What measures have your country developed to implement the Standard? • What processes (legislative, administrative or operational) is your country administering to implement the Standard? • Is your country facing difficulties in implementing this Standard? • If yes, how could capacity building assist you to overcome these challenges? |
| 5 | <ul style="list-style-type: none"> • How does your country implement the Standard, and how often will it be reviewed or evaluated? • What lessons has your country learned in implementing this Standard? |

Key Performance Indicators

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Capacity Building
Open questions to better understand challenges with implementation

Additional Information
Additional quantitative and qualitative indicators

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* Country’s implementation level

Monitoring
Implementation scale to indicate progress towards implementation of a Standard

Key Performance Indicators

Example

STANDARD 8: De Minimis

When reviewing and/or adjusting de minimis thresholds for duties and/or taxes, making fully informed decisions based on specific national circumstances.

Monitoring and capacity building

Indicator 8.1: Does your country apply a de minimis threshold for duties and/or taxes to cross-border E-Commerce shipments?

| Monitoring | | Capacity Building | |
|----------------------|--|-----------------------|--|
| Implementation level | | Response to questions | |

Indicator 8.2: Does your country maintain a framework that ensures any decisions to review and/or adjust de minimis thresholds will be fully informed by specific national circumstances?

| Monitoring | | Capacity Building | |
|----------------------|--|-----------------------|--|
| Implementation level | | Response to questions | |

Additional Information

If your country has implemented the Standard (whether fully or partially), please provide further information below:

| Indicator | Response |
|---|----------|
| Percentage of cross-border E-Commerce shipments that are below the de minimum threshold | |
| Value of de minimis threshold (or, if applicable, de minimis thresholds) | |
| Does your country apply different de minimis thresholds to duties and taxes? | |



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