



Selling goods or services to the land down under? Get the facts on Aussie tax.

By ADRIAN PRESTON-LOH, Assistant Commissioner, Public Groups, GST International – Australian Taxation Office (ATO)

What is GST?

GST is similar to Value Added Tax (VAT) or Sales Tax in other countries. The GST rate in Australia is 10% or 1/11th of the amount charged on a sale. This means if you are an international business and you sell goods to consumers who are in Australia, GST may apply to your sales.

What are low value goods?

Low value goods are tangible goods (such as clothing, books, cosmetics, shoes, or sporting equipment, and excluding tobacco products or alcoholic beverages) with a customs value of A\$1,000 or less.

Who charges GST for low value goods?

The responsibility of collecting and paying GST to the ATO depends on what you're selling and how you sell it.

For example, if you are:

- a merchant who sells low value goods to consumers who are in Australia – ato.gov.au/merchant
- a redeliverer that helps to bring low value goods to Australia on behalf of the consumer – ato.gov.au/redeliverer
- an electronic distribution platform operator, such as an online marketplace, that allows merchants to make sales of services, digital products or low value goods to Australian customers – ato.gov.au/EDPoperator.

If you only sell goods through an electronic distribution platform, the operator of the platform is responsible for collecting and paying GST (not you, as the merchant).

Multiple low value goods totalling over \$A1,000

When multiple low value goods are shipped to Australia in one shipment, they will be taxed at the Australian border.

For example, a customer purchased two necklaces from a business in the United Kingdom for A\$750 each, and paid an additional A\$50 for them to be shipped to

Australia in one delivery. As the customs value of these items is \$A1,550, the business does not charge GST since the goods will be taxed at the border.

However, if the necklaces were shipped in two shipments, the business would need to charge the consumer GST on the sale price of the necklaces and the delivery fee.

For more information, visit ato.gov.au/GSTivig.

What about high value goods?

High value goods are goods with a customs value over A\$1,000. If you are shipping high value goods with a customs value over A\$1,000 to Australia, you will need to lodge an Import Declaration with the Australian Border Force (ABF) to have your goods assessed for any relevant duty, taxes and import processing charges prior to delivery. Goods will not be delivered unless an Import Declaration is made and any relevant duty, taxes and charges owing are paid in full.

Find out more at www.abf.gov.au/importing-exporting-and-manufacturing/importing/how-to-import

Next steps

Register for GST if the value of your sales connected to Australia is equal to or more than A\$75,000 in a 12-month period. The quickest and easiest way to register is through simplified GST registration, which allows you to lodge and pay online. Read more at ato.gov.au/SimpGST.

If you're registered for GST, you will also need to:

1. **Charge** GST, if it is your responsibility, by including it in the price when selling goods or services to consumers in Australia.
2. **Report** the GST collected to us – you can do this by lodging a GST return or a business activity statement (BAS).
3. **Pay** the amount of GST to us. Remember to convert it to Australian dollars.

You'll always find the most up-to-date information on the ATO website. Hop onto ato.gov.au/AusGST.

Adrian Preston-Loh is the Assistant Commissioner for International GST the ATO. He is responsible for the administration of the 'Digital Products and Imported Services' and 'Low Value Imported Goods' GST law, ensuring overseas businesses understand and comply with Australian GST obligations, and representing Australia in international GST forums.

