



6th meeting of the OECD Global Forum on VAT – Paris, France, on 26–28 January 2026

Day Two: Panel Discussion

Topic: Securing VAT/GST revenue from low-value e-commerce imports (5-10min)

Context

1. Australia's experience as the first country to adopt a remote vendor collection model for low value imported goods
2. Implemented systems and processes to minimise impacts at the border and to not interfere with the free flow of goods while also maximizing compliance.

(Title slide) Opening

3. Good morning and thank you for the opportunity to share Australia's experience in securing VAT/GST revenue from low-value e-commerce imports. This is a topic of growing global importance as cross-border shopping-commerce continues to surge.

(Slide 2) Australian GST reform: low value imported goods

4. Nearly a decade ago and following a staged implementation in line with the OECD Guidelines, Australia introduced GST to the inbound, cross-border supplies of digital product and services in 2017 and low value goods in 2018.
5. Australia has long held a low value threshold of \$1,000 AUD. A good or single consignment of goods above this \$1000 AUD threshold is considered a taxable importation, where GST and applicable duties are paid by the Australian importer to the Australian customs.
6. An exception is tobacco, tobacco products or alcoholic beverages, which are treated as a taxable importation regardless of value due to the additional duties and taxes on these supplies.
7. Prior to July 2018, a good or single consignment of goods under the low value threshold did not attract GST. This created revenue leakage and a competitive disadvantage for domestic retailers. With millions of small consignments entering Australia, the traditional border-based collection model was not practical.
8. In July 2018, Australia became the first country to adopt a remote 'vendor collection system for low value imported goods. It is based on the principle that GST is collected at the point of sale by the offshore merchant and remitted directly to the ATO, not at the border by Customs. There are three points to these requirements:
 - Firstly, the obligation applies to non-resident suppliers, electronic distribution platform providers (often referred to as online marketplaces) and re-deliverers.
 - Secondly, offshore vendors with annual turnover above AUD 75,000 must register for GST. This requirement is the same for domestic businesses.
 - Thirdly, there is no change to the low value import threshold or the border clearance process.

(Slide 3) Low value imported goods: interaction with the border process

9. One of Australia's priorities was to maintain the free flow of goods. This is achieved by enhancing the Integrated Cargo System (ICS) to capture vendor IDs, GST-paid status codes, recipient IDs (if applicable) and description of goods, to prevent double taxation.
10. The ICS is the system used by our Australian Border Force (customs).
11. This information is collected through a self-assessed clearance declaration (SAC), a simple custom's declaration typically completed by the logistic provider or customs broker.
12. As a result, goods under \$1,000 AUD will move freely without GST or duty at the border. The Australian Customs and Border Force apply a risk-based approach to inspect incoming parcels prior to releasing them for onwards delivery and share intelligence with the ATO for compliance monitoring or intervention.

(Slide 4) Low value imported goods: revenue and population insights

13. Since the cross-border GST reform, over 3,000 non-resident businesses registered for Australian GST with an approximately equal split between LVIG and DPS businesses.
14. As part of the reform, Australia introduced a simplified GST registration for eligible non-resident businesses. Over 90% of the non-resident businesses registered under the LVIG/DPS regime elect to adopt the simplified registration option, which significantly streamlines the registration and lodgment process, allows for GST to be paid but businesses cannot claim GST credits.
15. With a focus on promoting voluntary compliance, the cross-border reform has to date generated over \$9.7 billion AUD GST, with approximately 43% from the LVIG and 57% from the DPS measures.
16. The graph on the left presents the revenue trends. The average annual growth rate of the LVIG revenue is approximately 17%. This growth has outpaced the DPS, which has been growing by 13%.
17. The FY2025 marks the first time that the GST revenue from the LVIG measure exceeded DPS. This is largely driven by the expansion of e-commerce platforms selling goods into Australia.
18. The LVIG market is significantly more concentrated than the DPS market as shown by the table on the right. The top 10 LVIG entities paid 77% of GST revenue from this segment. This relieves many small businesses from having to register for Australian GST.

Closing

19. In conclusion, the Vendor Collection System reduces administrative burden and simplifies compliance. Our experience demonstrates that it is possible to secure revenue without disrupting trade flows.
20. Whilst challenges remain especially regarding the visibility of smaller sellers, the key is collaboration between tax authorities, businesses, and international partners (particularly, BIAC).
21. This is the end of my presentation. It is a great pleasure and privilege to share our experience with you at this forum.