



AUSTRALIAN CUSTOMS SERVICE PRACTICE STATEMENT

FILE NO: C07/16674

PRACTICE STATEMENT NO: PS2008/24

PUBLISHED DATE: 10 JULY 2008

AVAILABILITY: Internal and External

SUBJECT: Tourist Refund Scheme (TRS)
PURPOSE: This practice statement sets out the policy relating to the Tourist Refund Scheme
APPROVING OFFICER: National Director Passengers
CATEGORY: Operational Procedures (OP)
CONTACT: Director Passenger Policy 02 6275 8026

SUMMARY OF MAIN POINTS

Customs Practice Statements are endorsed Customs policy and must be followed by all Customs employees. This Practice Statement outlines:

- The policies relating to the administration of the Tourist Refund Scheme by Customs, on behalf of a range of Government agencies.

The electronic version published on the intranet is the current Practice Statement.

STATEMENT

INTRODUCTION STATEMENT:

As part of the introduction of A New Tax System (ANTS) on 1 July 2000, the Australian Government established the TRS to enable eligible overseas tourists and Australians travelling abroad to claim a refund of Goods and Services Tax (GST) and Wine Equalisation Tax (WET) on goods they purchase in Australia and take with them. The scheme applies to residents and non-residents.

BCS CLASSIFICATION: RM_Policy

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Policy and legislative responsibility for the TRS rests with the Department of the Treasury (Treasury) and administrative responsibility rests with the Australian Taxation Office (ATO).

Customs administers the scheme on behalf of a number of Government stakeholders, under delegation of the Commissioner of Taxation. A Memorandum of Understanding (MOU) covering the respective roles of the ATO and Customs in the provision of TRS services is in place. The effective and efficient administration of the scheme is an important Customs output that supports the Government's initiatives to promote Australia as an attractive tourist destination.

Context and Scope

This practice statement encompasses all TRS activities performed by Customs, both at international airports and seaports, and at the Tourist Refund Office (TRO) in Canberra. Customs activities include the processing of TRS claims, compliance activity to ensure the ongoing integrity of the scheme, promotion and marketing of the scheme, ad hoc statistical reporting and the management of the relationship with the payment service provider who is contracted to provide the payment function for the scheme. Activities also include the referral of cases of suspected non-compliance to the ATO for further analysis, but do not include the conducting of fraud investigation activities, which are the responsibility of the ATO.

Policy Statement

Treasury has policy and legislative responsibility for A New Tax System (Goods and Services Tax) Act 1999 and A New Tax System (Wine Equalisation Tax) Act 1999. Administrative responsibility for these Acts rests with the ATO. Division 168 of the GST Act and Division 25 of the WET Act cover the Tourist Refund Scheme.

Customs officers have a delegated authority from the Commissioner of Taxation to provide TRS services to travellers on behalf of the Government

All overseas tourists and Australians travelling abroad are eligible to participate in the scheme. Operating air and sea crew are not eligible to participate in the scheme.

Customs, through its presence at airports and seaports, will assist travellers with an opportunity to participate in the scheme, by providing staff and facilities that will allow for TRS claims to be lodged and assessed.

Customs operations form part of the travel experience for the millions of travellers entering and leaving Australia every year. For many international travellers, their impressions of Australia will be created by their experience at the TRS facilities and services we provide. This experience should be as welcoming and as easy to use as possible, in order to enhance the traveller experience.

Customs is also committed to protecting the revenue interests of the Government. In this regard we will work cooperatively with Government and industry stakeholders to ensure the integrity of the scheme is maintained via a structured compliance regime. Attention to detail and accuracy will be essential in ensuring the effectiveness of this compliance activity.

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Procedural Statement

Overseas tourists and Australians travelling abroad are able to claim back, subject to certain conditions, the GST and WET on goods purchased in Australia and taken with them as accompanied baggage overseas through the TRS.

To be eligible for a refund, passengers must:

- purchase goods to the value of A\$300.00 (GST inclusive) or more from a retailer or chain covered by the same Australian Business Number (ABN);
- obtain a single valid tax invoice for the goods;
- purchase the goods no more than 30 days prior to departure; and
- present their passport, documents that confirm their entitlement to leave Australia on an aircraft or ship, tax invoice/s and goods, upon request, to an officer of Customs at a TRS facility on the day of their departure from Australia.

Oversized goods (such as surfboards) and goods that cannot be taken on board aircraft or ship as hand baggage due to aviation security measures may be sighted at Customs Client Services offices (where available) prior to airline check-in.

The scheme currently operates at Airports, Sydney, Melbourne, Brisbane, Darwin, Cairns, Adelaide, Perth, and Gold Coast and at cruise vessels' final Australian port. The TRS facilities are located in the departures areas.

TRS refunds apply to most goods except for tobacco, tobacco products, alcoholic beverages (except wine on which wine tax has been borne), services, or goods consumed or partly consumed in Australia.

Under the scheme, the passenger can choose to have their refund:

- credited to their credit card;
- credited to an Australian bank account in Australian dollars; or
- issued as a cheque in either Australian dollars or a limited number of foreign currencies

An external payment service provider has been contracted to process refunds to eligible travellers.

While assisting travellers to participate in the TRS, Customs will also perform activities designed to protect the ongoing integrity of the scheme. Compliance with scheme criteria will be maintained via relevant system checks, identity verification, travel document authentication and appropriate risk assessment, including the need for travellers to present the goods to Customs for verification on departure.

RELATED INSTRUCTIONS AND GUIDELINES

- TRS Risk Based Verification Guidelines
- TRS Manual and Contingency Claim Procedures

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- TRS Processes
- TRS Rules
- TRS Marketing

RELATED POLICIES AND REFERENCES

- A New Tax System (Goods and Services Tax) Regulations 1999 – Division 168
- A New Tax System (Goods and Services Tax) Regulations 1999 – Division 168
- A New Tax System (Wine Equalisation Tax) Act 1999 – Division 25
- A New Tax System (Wine Equalisation Tax) Regulations 2000 – Division 25
- Chief Executive Instructions

In addition to the above, a Memorandum of Understanding (MOU) exists between Customs and the ATO. This document (and Schedule 1 of the MOU) set out the arrangements between Customs and the ATO for the administration of GST and WET legislation. The MOU sets out the roles and responsibilities of both agencies in relation to the TRS and describes the level of support that the ATO will provide to Customs in carrying out this function. The MOU also sets out the standard to which Customs is required to carry out TRS function with particular emphasis on ensuring that claimants comply with the requirements of the scheme and management of the contract with the external payment service provider.

KEY ROLES AND RESPONSIBILITIES

Policy and legislative responsibility for the TRS rests with the Treasury.

Administrative responsibility of TRS legislation rests with the ATO.

Customs administrative responsibility rests with the Passenger Policy Section of the Passenger Operations Branch, Passengers Division.

The Director Passenger Policy is responsible for the overall administration of the scheme. Airport Operations North and South are responsible for ensuring efficient and effective delivery of the TRS function in the eight international airports while Enforcement Operations is responsible for delivering TRS services at minor airports and all seaports.

CONSULTATION

INDUSTRY ENGAGEMENT

Not required

EXTERNAL CONSULTATION

Australian Taxation Office (ATO)

INTERNAL CONSULTATION

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The following internal stakeholders have been consulted in the development of this Practice Statement:

Passenger Operations
Airport Operations North
Airport Operations South
Enforcement Operations
Strategic Development (Passengers)

APPROVAL

Approved on 18 June 2008 by:

Jan Dorrington
National Director Passengers

ENDORSED

Endorsed on 9 July 2008 by:

Sue Pitman
A/g DCEO Passengers and Trade Facilitation