



Australian Government

The Treasury

THE TOURIST REFUND SCHEME AND SEALED BAG SCHEME

SUMMARY OF CONSULTATION PROCESS

The Government announced in the 2008-09 Budget that it would make minor amendments to the Tourist Refund Scheme (TRS) and sealed bag scheme (SBS) to allow overseas travellers increased flexibility to access the scheme by:

- extending the period during which travellers can purchase goods and be eligible to claim a refund of goods and services tax (GST) and wine equalisation tax (WET) through the TRS from 30 days to 60 days;
- allowing international travellers to aggregate multiple invoices (as opposed to a single invoice) from single retailers in order to meet the \$300 (including GST) threshold required to make TRS claims; and
- extending the period for which overseas travellers can make tax-free purchases through the sealed bag system (SBS) from 30 days to 60 days.

These amendments are contained in *A New Tax System (Goods and Services Tax) Amendment Regulation 2013 (No. 1)* and the *Excise Amendment Regulation 2013 (No. 1)*, which make amendments to the *Excise Regulations 1926* and the *A New Tax System (Goods and Services Tax) Regulations 1999*.

An amendment has also been made by the Minister for Home Affairs to the SBS rules in the *Customs Regulations 1926* extending the tax-free shopping period from 30 days to 60 days.

The amendments were registered on the Federal Register of Legislative Instruments on 15 February 2013.

Consultation process

Consultation on the draft regulations was conducted between 3 April 2011 and 29 April 2011.

The draft regulations also contained amendments relating to the verification of export of liquids, aerosols, and gels (LAGs) sold through the sealed bag scheme, to take account of changes in airport security arrangements. However, the LAGs measures were removed from the draft regulations as they will not proceed in the same form as announced in the 2008-09 Budget because of technological changes and will proceed at a later date.

Three submissions were received and a supplementary submission. An appendix of a submission and supplementary submission is confidential.

The submissions can be viewed by on the [Treasury website](#).



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Summary of key issues

Consultation on draft legislation

The key issues

The submissions were generally supportive of the proposed amendments to the TRS and SBS as they would benefit tourist shopping. Other changes were recommended that would provide greater flexibility to tourists, such as reducing the TRS threshold from \$300 to \$100, and allowing international tourists to aggregate invoices from multiple retailers to meet the threshold required to make a TRS claim.

Two submissions requested that a cash refund option be reintroduced. This option was withdrawn by Australian Customs and Border Protection Service in 2002 because it was cumbersome to administer and costly to manage.

One submission had concerns with extending the 30 day limit or reducing the TRS threshold. The concern was that the changes could result in an adverse impact on retailers as they may be required to pay taxes (Goods and Services Tax and Wine Equalisation Tax) for items not properly verified or exported by tourists.

Response

It is considered the proposed amendments are a reasonable balance between providing flexibility for tourist shopping, and avoiding adverse impacts on retailers from items not properly verified and minimising the cost of administering and processing each TRS claim.

The Government will not be reintroducing a cash refund option unless compelling evidence emerges that reintroducing cash refunds is cost effective.

No changes were made in response to the recommendations made.

Feedback

Feedback on the consultation process for this measure can be forwarded to consultation@treasury.gov.au. Alternatively, you can contact Robyn Vincent on (02) 6263 2758.

Thank you to all participants in the consultation process.