

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 89

Senator Ludwig asked the following questions at the hearing on 25 May 2006:

In relation to the import processing charge and removing 600,000 when the threshold was raised,

- (a) Can the modelling used be provided?
- (b) How much in volume are the import entries growing?
- (c) By how much were the import duty and GST collections reduced and is that what the modelling predicted.

The answers to the honourable senator's question are as follows:

- (a) Analysis and modelling of entries below \$1,000 is held in schedule (a) of Attachment 1.
- (b) Historical entry data and growth is listed in schedule (b) of Attachment 1.
- (c) Modelling of Duty and GST collections projected reductions of \$8 million in Duty and \$6 million in GST in the current financial year due to the increase in entry thresholds. An exact assessment of actual impact on these revenue streams is not possible, as below threshold items processed in the Self Assessment Clearance declaration format generally do not contain data on value and tariff classification. However for the year ended 30 June 2006 total duty collections were above the 2005-06 Portfolio Budget Statements estimate of \$4.46bn and total import GST collections were marginally below projection. The impact of the change in threshold has not had a material impact on duty or GST collections.

Schedule (a)

Actuals 2004/05 below \$1,000 entries

| Entry Mode | r | Post | Sea | Total |
|--------------------|-------|-------|-------|-------|
| Consignment Value | 000's | 000's | 000's | 000's |
| >250 & <=300 | 70.8 | 0.2 | 1.4 | 72.4 |
| >300 & <=350 | 57.3 | 0.2 | 1.5 | 59.0 |
| >350 & <=400 | 50.9 | 0.3 | 1.5 | 52.7 |
| >400 & <=450 | 42.5 | 0.4 | 1.4 | 44.3 |
| >450 & <=500 | 40.6 | 0.4 | 1.6 | 42.6 |
| >500 & <=1000 | 275.0 | 4.6 | 16.2 | 295.8 |
| | 537.1 | 6.1 | 23.6 | 566.8 |
| Projected Growth * | 2.5% | 2.5% | 2.5% | |
| 2005/06 | 551 | 6 | 24 | 581 |
| Projected Growth * | 2.5% | 2.5% | 2.5% | |
| 2006/07 | 564 | 6 | 25 | 595 |

* Recent high entry growth are projected to moderate with the \$A

Schedule (b)

Entry Growth

| Financial Year | 2000 - 2001 | 2001 - 2002 | 2002 - 2003 | 2003 - 2004 | 2004 - 2005 | 2005 - 2006* |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | 000's | 000's | 000's | 000's | 000's | 000's |
| Total Entries (exclud. ex-warehouse) | 2,763 | 2,745 | 2,967 | 3,180 | 3,418 | 3,018 |
| Growth | | -18 | 222 | 213 | 238 | -400 |
| Growth% | | -0.7% | 8.1% | 7.2% | 7.5% | -11.7% |

* Year To Date ending 31 May plus average ICS total for June 06