



Australian Government

TLIX5049A Determine indirect taxes

Release 1

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Modification History

Release 1. This is the first release of this unit.

Unit Descriptor

This unit involves the skills and knowledge required to determine indirect taxes as part of customs broking activities. It includes assessing the applicability of indirect taxes; determining tax exemptions and taxes to be paid; and documenting the results of all tax determinations.

Licensing, legislative, regulatory or certification requirements are applicable to this unit.

Application of the Unit

This unit applies to individuals working as a Customs Broker. Work must be carried out in compliance with the relevant Customs, Australian Taxation Office (ATO) and other tax related legislation, and workplace policies and procedures.

Work is undertaken in a range of environments including small to large worksites in the customs broking, international freight forwarding, integrated express delivery and import/export industries.

Licensing/Regulatory Information

Refer to Unit Descriptor.

Pre-Requisites

Nil

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the required performance needed to demonstrate achievement of the element. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

1 Assess applicability of indirect taxes to goods, commodities and transactions

- 1.1 Applicability of indirect taxes to goods and commodities is analysed and documented
- 1.2 Allowable exemptions and specialised schemes relating to indirect taxes are researched for applicability to specific commodities and/or transactions
- 1.3 Allowable exemptions are applied to goods and commodities in accordance with relevant legislation
- 1.4 Accuracy of assessments is checked and verified

2 Calculate indirect taxes

- 2.1 Correct rate of indirect tax on goods and services is identified and applied in accordance with legislative requirements
- 2.2 Relevant information such as overseas freight and insurances is obtained as required
- 2.3 Data is input into software application systems for indirect tax calculation

3 Document indirect tax assessments

- 3.1 Indirect tax assessment results are recorded on appropriate documentation in accordance with legislative requirements
- 3.2 Rates and amounts of indirect taxes payable are checked for accuracy and verified according to workplace procedures
- 3.3 Completed documentation is stored, retained and provided to clients and other relevant personnel as required in accordance with Customs Act 1901 and related legislation and workplace procedures

Required Skills and Knowledge

This section describes the knowledge and skills required for this unit.

Required knowledge:

- Applicable legislation and regulations:
 - A New Tax System (Goods and Services Tax) Act 1999, Customs and other indirect tax legislation as they relate to implementing indirect tax legislation as part of customs broking activities
 - Customs and related legislation
 - equal opportunity legislation
 - equal employment opportunity and affirmative action legislation
 - export/import/quarantine/bond requirements
 - other indirect taxation legislation
 - workplace relations regulations
- Basic operation of the Goods and Services Tax (GST) system
- Calculations of GST on taxable importations
- Delivered duty paid (DDP) transactions and impact on GST
- Documentation and/or software system requirements for the application of GST and other indirect tax legislation as they relate to customs broking activities
- Key features of GST legislation
- GST:
 - accounting requirements
 - collection and remittance
 - input-taxed supplies
 - registration process
 - system overview
- GST-free goods and supplies
- Impact of GST on:
 - customs functions
 - importers and exporters
- Non-taxable importation
- Roles and responsibilities of Australian Customs Service (Customs) and ATO as they relate to GST
- Scope and operation of GST deferral scheme
- Sources of information to identify GST free goods and exemption codes
- Sources of information on new developments in GST legislation as they relate to customs broking activities
- Special rules pertaining to GST requirements
- Transport and insurance costs attracting GST

Required skills:

- Accurately calculate indirect taxes
- Accurately complete documentation related to work activities
- Communicate and liaise effectively with others when applying GST and other indirect tax legislation as part of customs broking activities
- Identify and interpret
 - luxury car tax (LCT) problems that may occur when applying indirect taxes and appropriate action that can be taken to resolve identified problems
 - non-taxable importations rules
 - wine equalisation tax (WET) rules
- Read and interpret:
 - indirect tax schedules
 - instructions, procedures and information relevant to applying indirect taxes legislation as they relate to customs broking activities

Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required knowledge and skills, the range statement and the assessment guidelines for this Training Package.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

The evidence required to demonstrate competence in this unit must be relevant to and satisfy all of the requirements of the Elements, Performance Criteria, Required Skills, Required Knowledge and include:

- determining applicability of GST and determining other indirect taxes
- documenting indirect tax assessments.

Context of and specific resources for assessment

Performance is demonstrated consistently over time and in a suitable range of contexts.

Resources for assessment include access to:

- a range of relevant exercises, case studies, scenarios and/or other simulated practical and knowledge assessment, and/or
- an appropriate range of relevant operational situations in the workplace.

In both real and simulated environments, access is required to:

- relevant and appropriate materials and equipment, and
- applicable documentation including workplace procedures, legislation and current amendments

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge.

Assessment of this unit must be undertaken by a registered training organisation.

As a minimum, assessment of knowledge must be conducted through appropriate written/oral tests.

Practical assessment must occur:

- through activities in an appropriately simulated environment at the registered training organisation, and/or
- in an appropriate range of situations in the workplace.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance.

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| Allowable exemptions and specialised schemes refers to: | <ul style="list-style-type: none">• government initiatives and schemes to promote exports of goods and services |
| Verification may be undertaken by: | <ul style="list-style-type: none">• customs broker• other experienced colleagues within the organisation |
| Documentation may be passed on to: | <ul style="list-style-type: none">• colleagues for further processing• customs broker• manager for checking and verification |
| New developments in the application of GST and other indirect tax legislation may include changes in: | <ul style="list-style-type: none">• ATO and Customs legislation• lodgement processes and systems• rates |
| Information on new developments in the application of GST and other indirect tax legislation may be obtained from: | <ul style="list-style-type: none">• bulletins, journals, magazines, books• external networks such as staff in Customs, ATO and various regulatory authorities, staff in other customs broking enterprises• internal and external training programs• internal networks such as own operational team, staff in other departments, support staff, managers, training staff• internet websites |
| Techniques to learn skills and knowledge required for new developments in applying GST and other indirect tax legislation may include: | <ul style="list-style-type: none">• coaching in the workplace• continuing professional development• external training programs• independent reading• internal training programs• networking with relevant internal and external contacts |
| Workplace procedures may include: | <ul style="list-style-type: none">• quality procedures |
| Communication in the work area may include: | <ul style="list-style-type: none">• electronic data interchange (EDI)• email• internet• oral, aural or signed communications• phone |
| Consultative processes may involve: | <ul style="list-style-type: none">• management• other employees and supervisors• relevant authorities and institutions |

Documentation and records may include:

- ATO rulings on GST and other indirect tax legislation
- client instructions
- commercial invoices
- insurance documents
- internal company documentation used for the application of GST and other indirect tax legislation as part of customs broking activities
- operations manuals, job specifications and induction documentation
- relevant documentation and guidance materials on A New Tax System (Goods and Services Tax) Act 1999, Customs and other indirect tax legislation as they relate to the implementation of GST and other indirect tax legislation
- shipping documents
- workplace procedures and policies

Unit Sector(s)

Not applicable.

Competency Field

X – Logistics