Consumption Tax Trends 2016 - Australia

VAT rates 2016

The Australian standard GST rate is 10.0%, which is below the OECD average. The average VAT/GST¹ standard rate in the OECD was 19.2% as of 1 January 2016, up from 17.7% on 1 January 2009. Australia has an extensive list of goods and services that are GST-free. Since 2009, 22 of the 34 OECD countries that have a VAT have raised their standard VAT/GST rate at least once. In contrast, Australia has not changed its standard GST rate since its introduction in 2000.

VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Australia was 0.49 in 2014, below the OECD average of 0.56. The VRR is a measure of the revenue raising performance of a VAT system. A ratio of 1 would reflect a VAT system that applies a single VAT rate to a comprehensive base of all expenditure on goods and services consumed in an economy - with perfect enforcement of the tax.

---

1. VAT refers to value added tax and goods and services tax (GST)

Source: OECD Tax Database 1st January 2016

Contacts

David Bradbury
Centre for Tax Policy and Administration
Head, Tax Policy and Statistics Division
David.Bradbury@oecd.org

Stéphane Buydens
Centre for Tax Policy and Administration
VAT Policy Advisor
Stephane.Buydens@oecd.org

---

OECD unweighted average, 19.2%