

## **EXPLANATORY STATEMENT**

Issued by the Authority of the Minister for Local Government, Territories and Roads

*Christmas Island Act 1958*  
*Customs Amendment Ordinance 2005 (No. 1)*

*Cocos (Keeling) Islands Act 1955*  
*Customs Amendment Ordinance 2005 (No. 1)*

Subsection 9(1) of the *Christmas Island Act 1958* (the CI Act) provides that the Governor-General may make Ordinances for the peace, order and good government of the Territory.

Subsection 12(1) of the *Cocos (Keeling) Islands Act 1955* (the C(K)I Act) provides that the Governor-General may make Ordinances for the peace, order and good government of the Territory.

Section 7 of the CI Act provides that the laws in force in the Territory of Christmas Island include Ordinances made on or after 1 July 1992, as in force from time to time. Section 7A of the C(K)I Act contains a provision to the same effect in the Territory of the Cocos (Keeling) Islands.

An Ordinance relating to Customs has been made under each of the CI Act and the C(K)I Act, both with the title *Customs Ordinance 1993* (the Customs Ordinances). The Indian Ocean Territories Customs Service is established in each of the Territories under the Customs Ordinances.

The Customs Ordinances apply the *Customs Act 1901* (the Customs Act) and the *Customs Regulations 1926* (the Customs Regulations) in the Territory of Christmas Island and the Territory of the Cocos (Keeling) Islands (the Territories). The Customs Act applies as modified by Schedule 1 to each of the Customs Ordinances and the Customs Regulations apply as modified by Schedule 2 to each of the Customs Ordinances.

The purpose of the amending Ordinances is to amend the application of the Customs Act and the Customs Regulations in the Territories.

The amendments are required as a consequence of the commencement of the remainder of the *Customs Legislation Amendment and Repeal (International Trade Modernisation) Act 2001* (the ITM Act) by Proclamation on 19 July 2005. The remaining provisions of the ITM Act will amend the Customs Act to introduce various electronic reporting requirements to support the implementation of the new Integrated Cargo System for imports, including mandatory electronic cargo

reporting. Consequential amendments to the Customs Regulations are also required to support this implementation.

The Territories do not have the information technology infrastructure necessary to meet the new electronic reporting requirements and such infrastructure in the Territories is not anticipated in the foreseeable future. Therefore, amendments to the Customs Ordinances are required to prevent the new electronic reporting requirements from extending to the Territories, thereby enabling the continuation of existing import processing and reporting in the Territories.

The amending Ordinances achieve this outcome by applying the Customs Act and the Customs Regulations in the Territories in the form existing immediately prior to the commencement of the remainder of the ITM Act on 19 July 2005.

The amending Ordinances amend the Customs Ordinances to refer to the Customs Act and the Customs Regulations as in force on 18 July 2005.

No consultation was undertaken in relation to the amending Ordinances as they are of a minor or machinery nature and do not substantially alter existing arrangements.

These Ordinances commence on 19 July 2005, the same day as the commencement of the remainder of the ITM Act by Proclamation.

0507976A