

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2013 No. 6**

#### **Issued by authority of the Assistant Treasurer**

*A New Tax System (Goods and Services Tax) Act 1999*

*A New Tax System (Goods and Services Tax) Amendment Regulation  
2013 (No. 1)*

Section 177-15 of the *A New Tax System (Goods and Services Tax) Act 1999* provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or as necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The *A New Tax System (Goods and Services Tax) Amendment Regulation 2013 (No. 1)* (the Regulation) amends the *A New Tax System (Goods and Services Tax) Regulations 1999* to make minor changes to the Tourist Refund Scheme (TRS) and the sealed bag scheme (SBS).

As part of the introduction of a *New Tax System (Goods and Services Tax) Act 1999*, the Australian Government established the TRS to enable overseas tourists and Australians travelling abroad to claim refunds of goods and services tax (GST) and Wine Equalisation Tax (WET) paid on goods that they purchase in Australia and take with them.

The SBS allows international travellers to purchase goods, tax free (excise or customs duty, GST or WET) from duty free stores and certain retail stores. Goods purchased through the SBS are placed in a sealed bag which remains sealed to ensure that the traveller takes the goods out of the country so that the goods cannot be consumed in Australia, and therefore are not subject to Australian taxes.

The Regulation extends the period during which travellers can acquire goods to access the TRS or SBS from 30 days to 60 days prior to departure and also allow travellers accessing the TRS to aggregate multiple invoices from single retailers in order to meet the \$300 threshold for TRS claims rather than the requirement to hold one invoice only.

The Regulation applies to acquisitions made 60 days or more after the day the Regulation is registered on the Federal Register of Legislative Instruments.

For example, once the Regulation applies, a tourist can make several acquisitions from the same retailer and provided the total of the invoices for that 60 day period are over \$300 and they are exporting the goods when they leave Australia, they can claim a GST refund, and a WET refund if applicable, at the TRS facility at any international airport or seaport.

Consultation was undertaken on the proposed amendments and no changes were made as a result of consultation.

The Regulation commences on the day after it is registered.

The Regulation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

## **Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

### **A New Tax System (Goods and Services Tax) Amendment Regulation 2013 (No. 1)**

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

#### **Overview of the Legislative Instrument**

The Tourist Refund Scheme (TRS) and sealed bag scheme (SBS) are arrangements that allow international travellers to purchase tax-free goods on leaving Australia.

The purpose of the Legislative Instrument is to extend the period during which international travellers can acquire goods to access to the TRS or SBS from 30 days to 60 days and also to allow travellers accessing the TRS to aggregate multiple invoices from single retailers in order to meet the \$300 threshold for TRS claims rather than the requirement to hold one invoice only.

#### **Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms. It increases the flexibility of international travellers to access the TRS and SBS.

#### **Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.