

EXPLANATORY STATEMENT

Issued by authority of the Assistant Treasurer

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

A New Tax System (Wine Equalisation Tax) Act 1999

Customs Act 1901

Treasury Laws Amendment (Goods and Services Tax) Regulations 2019

The *A New Tax System (Goods and Services Tax) Act 1999* (the GST Act) establishes the goods and services tax which is a broad-based indirect tax on supplies made in Australia and also imports.

The *A New Tax System (Wine Equalisation Tax) Act 1999* (WET Act) establishes the wine equalisation tax that applies to the last wholesale sale of wine in Australia and wine imports.

The *Customs Act 1901* (Customs Act) establishes the framework for the control of imports of goods and the imposition of duties on goods imported into Australia and controls on the export of goods.

Section 177-15 of the GST Act, section 27-35 of the WET Act and section 270 of the Customs Act provide that the Governor-General may make regulations prescribing matters required or permitted by each Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to those Acts.

The purpose of the *Treasury Laws Amendment (Goods and Services Tax) Regulations 2019* (the Amending Regulations) is to repeal the *A New Tax System (Goods and Services Tax) Regulations 1999* (the prior Regulations) at the same time as the *A New Tax System (Goods and Services Tax) Regulations 2019* come into operation on 1 April 2019. The Amending Regulations also make consequential amendments to the *A New Tax System (Wine Equalisation Tax) Regulations 2000* and the *Customs Regulation 2015* that are required because of the sunsetting and remaking of the prior Regulations.

The consequential amendments are required to update references to the prior Regulations to refer to the *A New Tax System (Goods and Services Tax) Regulations 2019* in the other regulations and also to take account of changes in numbering in the remade regulations.

Further details of the Amending Regulations are set out in [Attachment A](#).

There are no conditions specified in the GST Act, WET Act or Customs Act that need to be satisfied before the power to make the Regulations may be exercised.

A Regulation Impact Statement was not required as the Amending Regulations do not involve any policy change, being minor and consequential in nature and have no measurable impact on the costs of business, community organisations or individuals.

A Statement of Compatibility with Human Rights is at Attachment C. The Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

An Exposure Draft of the Amending Regulations and accompanying Explanatory Material were released for public consultation from 18 December 2018 to 8 February 2019. No public submissions were received in relation to the amending Regulations in this process.

The Amending Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

The Amending Regulations commence on 1 April 2019.

Details of the *Treasury Laws Amendment (Goods and Services Tax) Regulations 2019*

This attachment sets out further details of the *Treasury Laws Amendment (Goods and Services Tax) Regulations 2019* (the Amending Regulations). The Amending Regulations repeal the *A New Tax System (Goods and Services Tax) Regulations 1999* at the same time as the *A New Tax System (Goods and Services Tax) Regulations 2019* (GST Regulations) come into operation on 1 April 2019. The Amending Regulations also make consequential amendments to the *A New Tax System (Wine Equalisation Tax) Regulations 2000* (WET Regulations) and the *Customs Regulation 2015* (Customs Regulation) that are required because of the sunset of the *A New Tax System (Goods and Services Tax) Regulations 1999*.

The consequential amendments are required to update references to the *A New Tax System (Goods and Services Tax) Regulations 2019* in the other regulations and also to take account of changes in numbering in the GST Regulations.

Preliminary

Section 1 – Name of Regulations

This section provides that the title of the Amending Regulations is the *Treasury Laws Amendment (Goods and Services Tax) Regulations 2019*.

Section 2 - Commencement

This section provides that the Amending Regulations commence at the same time as the *A New Tax System (Goods and Services Tax) Regulations 2019* commence.

Section 3 - Authority

This section provides that the Amending Regulations are made under the *A New Tax System (Goods and Services Tax) Act 1999*, the *A New Tax System (Wine Equalisation Tax) Act 1999* and the *Customs Act 1901*.

Section 4 - Schedules

This section provides that an instrument specified in a Schedule to this legislative instrument is amended or repealed as set out in the Schedule.

Schedule 1 - Repeals

Schedule 1 repeals the *A New Tax System (Goods and Services Tax) Regulations 1999*.

Schedule 2 - Amendments

Amendments to the *A New Tax System (Wine Equalisation Tax) Regulations 2000* and the *Customs Regulation 2015*

The Amending Regulations make consequential amendments to update references to the *A New Tax System (Goods and Services Tax) Regulations 1999* in the WET Regulations and the Customs Regulations to refer to the equivalent provisions in the *A New Tax System (Goods and Services Tax) Regulations 2019*. A summary of the consequential amendments to these regulations is set out in Attachment B.

Subregulation 25-5.04(1) of the WET Regulations is amended to directly include the rounding mechanism for wine equalisation tax refunds under the tourist refund scheme in the WET Regulations rather than by incorporating it by reference to the rounding mechanism in the GST Regulations.

A transitional provision is also included in Division 34 of the WET Regulations to clarify that despite the repeal of the wine equalisation tax rounding mechanism for the tourist refund scheme from the date of the repeal of the *A New Tax System (Goods and Services Tax) Regulations 1999*, the repealed regulation continues to apply to wine that is exported before the commencement of the Amending Regulations. Export of the goods is required within 60 days of the purchase of the wine for refunds to be payable.

The Amending Regulations also include an application provision in Part 18 of the Customs Regulation to provide that the amendments to those regulations apply for goods entered for home consumption on or after the commencement of the amendments. This ensures that the updated reference has effect at the same time as the GST Regulations commence.

ATTACHMENT B

Summary of consequential amendments to the WET Regulations and the Customs Regulations

The table below summarises the consequential amendments made by the *Treasury Laws Amendment (Goods and Services Tax) Regulations 2019* to the *A New Tax System (Wine Equalisation Tax) Regulations 2000* (WET Regulations) and the *Customs Regulation 2015* (Customs Regulations).

Table of consequential amendments to the WET Regulations

Regulation number in the WET Regulations	Former GST regulation referred to	Renumbered GST section referred to
Paragraph 25-5.02(1)(a)	Subdivision 168-1	Subdivision 168-A
Paragraph 25-5.02(1)(b)	Subdivision 168-2	Subdivision 168-B
Paragraph 25-5.02(1)(c)	Subdivisions 168-3 and 168-3A	Subdivisions 168-C and 168-D
Subregulation 25-5.04(2)	Subdivisions 168-5 and 168-6	Subdivisions 168-F and 168-G

Table of consequential amendments to the Customs Regulations

Regulation number in the Customs Regulations	Former GST regulation referred to	Renumbered GST section referred to
Subparagraph 94A(1)(a)(iv)	Part 2-7 of the <i>A New Tax System (Goods and Services Tax) Regulations 1999</i>	<i>A New Tax System (Goods and Services Tax) Regulations 2019</i>

Statement of Compatibility with Human Rights

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

Treasury Laws Amendment (Goods and Services Tax) Regulations 2019

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 *Treasury Laws Amendment (Goods and Services Tax) Regulations 2019* (the Amending Regulations) repealed the *A New Tax System (Goods and Services Tax) Regulations 1999* at the same time as the *A New Tax System (Goods and Services Tax) Regulations 2019* came into operation on 1 April 2019.

The Amending Regulations also make consequential amendments to the *A New Tax System (Wine Equalisation Tax) Regulations 2000* (WET Regulations) and the *Customs Regulation 2015* that are required to update references to the *A New Tax System (Goods and Services Tax) Regulations 2019* (GST Regulations) in these other regulations and also to take account of changes in numbering in the remade regulations.

The Amending Regulations also include the rounding mechanism for wine equalisation tax refunds under the tourist refund scheme in the WET Regulations rather than by incorporating it by reference to the rounding mechanism in the GST Regulations.

Human rights implications

This legislative instrument does not engage any of the applicable rights or freedoms.

Conclusion

This legislative instrument is compatible with human rights as it does not raise any human rights issues.