

Customs Regulations (Amendment) 1991 No. 140

EXPLANATORY STATEMENT

STATUTORY RULES 1991 No. 140

CUSTOMS ACT 1901

CUSTOMS REGULATIONS (AMENDMENT)

ISSUED BY THE AUTHORITY OF THE MINISTER OF STATE FOR INDUSTRY, TECHNOLOGY AND COMMERCE

Section 270 of the Customs Act 1901 (the Act) provides in part that (1) "The Governor-General may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed for giving effect to this Act ..."

Section 85 of the Act provides in part that "(1) Such fees as are prescribed are payable in respect of warehouse licenses".

The Statutory Rules contain several amendments to the Customs Regulations which review the scale of fees for warehouse licenses and revise transaction fees for the movement of goods out of warehouses.

Background

Warehouse licence fees are payable annually on the basis of a scale of fees prescribed within regulations 50 and 52 of the Regulations. These fees are reviewed annually in order to recover the costs associated with administering the warehouse system.

In 1990-91, the warehouse licence fees were calculated on the basis of costs incurred in 1989-1990 in administering warehouses. A 4% increase on 1989-1990 costs was included to provide for prospective costs, an approach supported by Department of Finance costs recovery guidelines.

In 1990-1991 measures have been taken to improve the basis of recording the costs incurred in warehouse administration and control to enhance accuracy and ensure consistency between Regions. In addition, consideration has also been given to amending the basis of deriving costs (including warehousing costs) by adopting a strategy of forward planning on priorities with a view to determining, at the commencement of each financial year, the work plans and consequent resource usage to be allocated to each activity for that year. These changes have not yet been finalised, but determination of the new costs bases should be completed in 1991-1992.

In view of these proposed changes, and to minimise any distortionary effects they may have on warehouse fees between 1990-1991 and future years, the warehouse fees for 1991-1992 have been determined by increasing the fees for 1990-1991 by 6.9% - the CPI increase incurred for the four quarterly periods for which CPI figures are currently available (viz March 1990 to December 1990).

The fees prescribed in Regulation 52 for transactions involving the movement of goods out of warehouse has also been increased by 6.9% from \$9.30 to \$9.94.

Details of the amendments are as follows:

Regulation 1: provides for the proposed Regulations to commence on 1 July 1991.

Regulation 2: amends the Customs Regulations by:

- increasing the prescribed fee for new warehouse licences from \$8,199 to \$8,765
- increasing the prescribed fee for the renewal of a warehouse licence from \$6,403 to \$6,845
- increasing for the purposes of subregulation 50(2) and 50(2B) the amounts to be payable in respect of licences, where the licence relates to:
 - handling of bulk liquids other than potable spirits from \$453 to \$484;
 - the authorisation of the property of the licensee or associates of the licensee and no other - from \$319 to \$341;
 - the authorisation of the handling of property that is not the property of the licensee or associate - from \$281 to \$300
 - the handling of potable spirits - from \$417 to \$446
 - duty free shops - from \$398 to \$425;
 - approved places for the purposes of the Excise Act 1901 or where a warehouse is subject to an application under section 5A of that Act - from \$453 to \$484;
- increasing the deductions which may be made from fees payable under subregulations 50(2) and 50(2B):
 - where computer accounting systems are used that provide real time status reporting - from \$136 to \$145;
 - where monthly status reporting systems are used - from \$331 to \$354;
 - where the system of recording and accounting used in relation to the warehouse includes the use of a computer having both real time status reporting and monthly status reporting capacity - from \$467 to \$499; and
- increasing the fees changed under in paragraphs 52(1)(a) and 52(1)(b) from \$9.30 to \$9.94.