

CUSTOMS (AMENDMENT) BILL 2013

EXPLANATORY MEMORANDUM

The principal purpose of the Bill is to increase the rate of duty on a lower value range of Schedule 1 Items from 12% to 18% while retaining the existing level of 12% on those of higher value. The opportunity has been taken to amend the provisions of paragraph 2A(1)(d) that has caused confusion. As originally established it set out a rate that could be amended by regulation. The Bill therefore removes the statement of an amount in the paragraph and substitutes “amounts prescribed by regulation” thereby ensuring that the rates are to be found only in the regulations.

This Bill further seeks to tie provisions of the Act to the *Traffic Act 2010*. At present the criteria for prohibition of the importation of motor vehicles used for passenger carriage is set out in the *Customs Act 1913*: the same criteria is used in the Traffic regulations to determine whether such vehicles can be registered for use on the roads.

In the past difficulties have arisen when these restrictions have been different. To avoid this happening again and avoid having to make changes to both laws in future should it become possible to allow buses with greater weight or size measurements, this Bill seeks to tie the criteria for prohibition of importation to a vehicle meeting the criteria for registration.

The Bill in the first 3 clauses provides for the short title, the commencement and reference to the enactment being amended.

Clause 4 amends the principal Act –

- paragraph (a) repeals the specific amounts set out in paragraph 2A(1)(d) of the Act and replaces it with a general provision that refers to amounts to be prescribed by regulation;
- paragraph (b) amends Schedule 1 by changing the rate of duty for goods not included under other items to 18% where the value of the goods as declared under the Act is less than \$100,000 and retains the present duty of 12% for all goods so valued at \$100,000 or more;
- paragraph (c) amends the prohibition description for buses in Item 6 of Schedule 2 to the Act so that the prohibition is for buses or similar vehicles used for passenger carriage that exceed a dimension or weight or capacity permitted for registration under the *Traffic Act 2010* or the regulations.

17 September 2013