

## EXPOSURE DRAFT EXPLANATORY MATERIAL

*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 (GST) which is a broad-based indirect tax on supplies in Australia and 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 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 exports of goods.

Section 177-15 of the GST Act, section 27-35 of the WET Act and section 270 of the *Customs Act 1901* provide that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

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* at the same time as the *A New Tax System (Goods and Services Tax) Regulations 2019* comes 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 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 in changes in numbering in the remade regulations.

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

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***

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* at the same time as the *A New Tax System (Goods and Services Tax) Regulations 2019* (GST Regulations) comes 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 Regulations) 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 in changes in numbering in the GST Regulations.

**Part 1—Preliminary**

**Section 1**

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

**Section 2**

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**

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

**Section 4**

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 Regulations 2015***

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

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

A transitional provision is also included in Part 8 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* that the repealed regulation continues to apply to for purchases of wine made before commencement. 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 summaries the consequential amendments made by the Treasury Laws Amendment (*Goods and Services Tax*) Regulations 2019 (Amending Regulations) in the WET Regulations and the Customs Regulations. A summary of the consequential amendments made to these regulations by the Amending Regulations are set out in Attachment B.

<b>Regulation number in the WET Regulations</b>	<b>Former GST regulation referred to</b>	<b>Renumbered GST section referred to</b>
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)	Subdivision 168-3 and 168-3A	Subdivision 168-C and 168-D
Subregulation 25-5.04(1)	Paragraphs 168-5.11(2)(a) and (3)(a)	Not applicable (see above)
Subregulation 25-5.04(2)	Subdivisions 168-5 and 168-6	Subdivisions 168-F and 168-G
<b>Regulation number in the Customs Regulations</b>	<b>Former GST regulation referred to</b>	<b>Renumbered GST section referred to</b>
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>