

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 177

Senator Ludwig asked the following question at the hearing on 31 October 2005:

- a) What is the timeframe of the review of the Administrative Arrangements for Tourist Shopping?
- b) What are the terms of reference of the review – what is being examined?
- c) Is Customs involved in the review?
 - (i) If so, in what way?
 - (ii) If not, why not?
 - (iii) Please indicate how many meetings or other consultations have been held with Customs on this issue.

The answer to the honourable senator's question is as follows:

- a) The Review is expected to report back to the Government in early 2006.
- b) The review of tourist shopping arrangements will examine the current and future administrative arrangements for the Tourist Refund Scheme (TRS) and inwards and outwards duty free shops.

The review will consider the economic benefits of tourist shopping and its relationship to Australia's attractiveness as a tourist destination, including:

 - utilisation of tourist shopping arrangements;
 - an examination of the threshold for eligibility for refunds under the TRS and potential for outsourcing;
 - the scope of merchandise eligible for sale in inwards and outwards duty-free shops; and
 - administrative effectiveness, efficiency and simplicity;
- c) The Interdepartmental Committee (IDC) comprises members from the Departments of Treasury and Industry and Tourism and Resources in consultation with the Department of Prime Minister and Cabinet. The Australian Customs Service and Australian Taxation Office provides assistance to the IDC as required.

Customs attended both IDC meetings in May 2005 and November 2005 and has since been involved in informal discussions on operational aspects of the Review.