



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

TRADEX SCHEME AMENDMENT BILL 2008

Second Reading

SPEECH

Thursday, 21 February 2008

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker	Emerson, Craig, MP	Question No.	

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation) (10.13 am)—I move:

That this bill be now read a second time.

This bill will decouple the Tradex Scheme from the requirements of the customs drawback provisions and will simplify the administration of the scheme.

The Tradex Scheme was introduced as a streamlined program for providing relief to businesses paying customs duty and GST. The scheme applies to imported products that are to be re-exported or incorporated into other goods that are to be exported.

Decoupling the Tradex and drawback programs will enable the Tradex Scheme to remain consistent with the customs drawback provisions without being dependent on them. Both programs are designed to ensure customs tariffs are not paid on goods that are imported and subsequently exported and that are not inappropriately used or consumed while in Australia. This is consistent with the international taxation principle that duty should apply in the country of consumption.

The essential difference between the two programs is that under the drawback provisions duty is paid on importation and then is subsequently returned on exportation. Under the Tradex Scheme, duty exemption is provided up-front and only becomes payable if the goods are not exported or are used or consumed inappropriately while in Australia.

The separation of the legislation for the two programs should enable both programs to be better tailored to meet the particular demands of their customer base. Wherever possible, the elements of the drawback provisions will be adapted for incorporation into the Tradex regulations.

The other amendments contained in this bill are aimed at enhancing the administration of the Tradex Scheme and will further reduce the regulatory burden on industry. The Tradex Scheme will continue to provide real benefits to Australian industry and improve our international competitiveness as a trading nation. I commend this bill to the House.

Debate (on motion by **Mr Randall**) adjourned.