



## Australian Government

### The Treasury

## VERIFICATION MEASURES FOR LIQUIDS, AEROSOLS AND GELS AND THE SEALED BAG SCHEME

### SUMMARY OF CONSULTATION PROCESS

The Government announced in the Media Release of 13 May 2008 that it would implement a measure of the former government to introduce new regulatory arrangements to allow for the verification of export of liquids, aerosols and gels (LAGs) sold through the sealed bag scheme (SBS), to take account of changes in airport security arrangements.

The measure was to:

- confirm an interim arrangement agreed to by the Australian Taxation Office (ATO) and Australian Customs and Border Protection Service (Customs and Border Protection) for export verification to allow travellers to pack LAGs items in their checked luggage; and
- replace the interim arrangement with a more rigorous arrangement that would require travellers to provide proof of export by way of a declaration on the goods dockets that will be handed to collection agents after the customs barriers.

As announced in the 2013-14 Budget the Government decided not to proceed with the more rigorous declaration requirement as it is expected that in the near future new screening technology will allow LAGs to again be taken past customs as cabin baggage. Subject to monitoring as necessary by the ATO and Customs the interim arrangement will operate from 31 March 2007 and as an on-going arrangement until the new screening technology is adopted.

This measure is contained in the *Customs and Legislation Amendment (LAG and Other Measures) Regulation 2013* which makes amendments to the *A New Tax System (Goods and Services Tax) Regulations 1999*, the *Excise Regulations 1925* and the *Customs Regulations 1926*.

#### **Consultation process**

Consultation on the proposed changes was conducted between 3 April 2011 and 29 April 2011.

One submission (Duty Free Security Co Ltd, 2 June 2011) and a supplementary submission (Duty Free Security Co Ltd, 15 July 2011) were received.

The submissions can be viewed on the [Treasury website](#).



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#### Summary of key issues

##### Consultation on draft legislation

###### *The key issues*

The primary docket agency for the duty free industry supported the retention of an interim sealed bag arrangement which is consistent with international airport security restrictions. It strongly opposed the implementation of a separate LAGs declaration as the requirement represents a substantial compliance burden for the duty free and tax free retailers using the SBS.

###### *Response*

The Government has removed the requirement for a declaration. The interim arrangement will be the on-going requirement which, because of new screening technology, may only be required for a limited period.

##### Feedback

Feedback on the consultation process for this measure can be forwarded to [consultation@treasury.gov.au](mailto:consultation@treasury.gov.au) . Alternatively, you can contact Robyn Vincent on (02) 6263 2758.

Thank you to all participants in the consultation process.