



New Zealand House of Representatives
Te Whare Māngai o Aotearoa

Foreign Affairs, Defence and Trade Committee

Komiti Whiriwhiri Take Aorere, Take Waonga, Take Tauhoko

54th Parliament

May 2025

**Customs (Levies and Other Matters)
Amendment Bill**

112—1

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Customs (Levies and Other Matters) Amendment Bill

Recommendation

The Foreign Affairs, Defence and Trade Committee has examined the Customs (Levies and Other Matters) Amendment Bill and recommends that the bill proceed without amendment.

About the bill as introduced

The Customs (Levies and Other Matters) Amendment Bill aims to make revenue collection on goods fairer and more effective. It is an omnibus bill that would amend three Acts administered by three government agencies: the New Zealand Customs Service (Customs), the Inland Revenue Department (IRD), and the Ministry for the Environment.

The bill is split into three parts, relating to each agency's jurisdiction:

- Part 1 would amend the Customs and Excise Act 2018 to introduce a new levy-making power so that levies can be made, as an alternative to fees, when Customs recovers the costs it incurs when managing goods.
- Part 2 would amend the Waste Minimisation Act 2008 to enable more efficient cost recovery of product stewardship fees by clarifying that responsibility for collecting the fee may be delegated by regulations. This would allow the chief executive of Customs to be specified as a collection agent, in which case the powers relevant to the collection of duties under the Customs and Excise Act would apply.
- Part 3 would amend the Goods and Services Tax Act 1985 to make it fairer, by ensuring that imported goods receive the same GST treatment as other goods.

Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have no issues regarding the legislation's design to bring to the attention of the House.

Submissions received on the bill

We received 12 written submissions and no requests for oral hearings on this bill. A full summary of the submissions, along with comments from our advisers, is available in the departmental report on the bill. We thank submitters for sharing their views on the bill.

Nine submissions opposed the bill or recommended changes; of these, three raised substantive issues. They were concerned that the bill:

- may result in increased levies which could negatively affect businesses
- may disproportionately affect Māori, or Māori-owned businesses
- may allow Customs to collect a product stewardship fee relating to environmental matters, which they opposed.

We thank submitters for their contributions; however, we are not convinced that the issues they raised require further consideration. We think the cost recovery changes proposed by the bill will be positive for businesses. The bill does not propose increasing levies, but is aiming to create a more effective regime. Further, it is standard practice for Customs to collect revenue on behalf of other government agencies, and we are supportive of this method for regulatory and administrative efficiency.

Clarification over GST refund

We explored whether the proposed changes to GST refunds might inadvertently result in an increase in fraudulent claims. For example, an importer might try to falsely claim that an imported good was faulty, or not what they had ordered, so they could import a second item free of GST. We are satisfied that safeguards in place—mainly, the requirement to provide evidence that the goods are being replaced, repaired, or refurbished during the refund process—are sufficient to guard against fraudulent claims. More detail on this issue can be found in Appendix B of the departmental report.

Appendix

Committee procedure

The Customs (Levies and Other Matters) Amendment Bill was referred to the committee on 29 January 2025. The closing date for submissions was 10 March 2025. We received and considered submissions from 12 interested groups and individuals.

We received advice on the bill from the New Zealand Customs Service, the Inland Revenue Department, and the Ministry for the Environment. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office was available to assist with legal drafting.

Committee members

Tim van de Molen (Chairperson)
Tim Costley
Hon Peeni Henare (until 12 March 2025)
Dana Kirkpatrick
Laura McClure
Hon Damien O'Connor
David Parker (from 12 March 2025)
Teanau Tuiono

Dr Carlos Cheung also participated in the consideration of this bill.

Related resources

The documents that we received as advice and evidence are available on the [Parliament website](#).