Date Introduced: 2 November 1977  
House: House of Representatives  
Presented by: The Honourable W. Fife, M.P.,  
Minister for Business and Consumer Affairs

**Short Digest of Bill**

**Purpose**

The purpose is to increase the penalties for drug-trafficking offences and to make the proceeds of drug-trafficking liable to forfeiture and to make changes of an administrative nature which will facilitate the import and export of goods.

**Background**

**Drug-Trafficking**

In October 1976 the National Standing Control Committee on Drugs of Dependence (which consists of Commonwealth and State officials concerned with drug abuse) recommended the proposed changes to the legislation relating to drug trafficking. These recommendations were adopted by Commonwealth and State ministers concerned with drug abuse.

**Imports and Exports**

The *Customs Amendment Act* 1976 changed the method of valuation of goods for customs purposes from one of valuing either on the current domestic value in the country of export or the actual money price paid by the Australian importers (whichever was the higher) to a f.o.b. value based on the price the goods would fetch on the open market at the time of their entry into Australia, between an independent buyer and seller. (Brussels Definition of Value—B.D.V.). Under the former provisions the importer had to show in the invoice both the price actually paid and the current domestic value in the country of export. Under the B.D.V. the basis of valuation is the price actually paid so that normal commercial documentation is sufficient.

**Main Provisions**

Clause 8 (proposed s.229A) provides for the seizure and forfeiture of the proceeds of drug-trafficking. Safeguards are included to protect anyone who has innocent ownership of cheques, goods or monies liable to forfeiture, or innocent storage of narcotic goods by warehouse licensees.
Clause 10 (proposed s.235) amends the penalties for drug-trafficking offences as recommended by the National Standing Control Committee on Drugs of Dependence. The maximum penalty for trafficking in any of the drugs specified in Schedule 1 of the Bill (proposed Schedule 6 of the Act) except cannabis in leaf form, is increased to $100,000 or 25 years imprisonment or both. The present maximum ($4,000 or 10 years imprisonment or both) is retained for trafficking offences involving cannabis in leaf form.

Schedule 1 of the Bill (proposed Schedule 6 of the Act) makes minor amendments to the list of narcotic substances. The main effect of the Schedule change is to increase the amount defined as a trafficable quantity which in most cases is four times the quantity presently prescribed.

Clause 13 provides that the amendments in the Bill relating to drug-trafficking do not have retrospective effect.

Clauses 3, 4 and 9 alter the documentation required for verification for customs purposes by a Collector of Customs from Customs invoices to normal commercial documentation.

Clauses 5 and 6 widen the power to make regulations governing the granting of licenses or permissions to import or export goods which are subject to restrictions.

Clause 7 (proposed sections 114, 114A and 115) provides for entry before export (for which exemption may be given) and gives the Minister the power to grant exporters, for a period determined by the Collector of Customs, exemption from the necessity for entry before export, providing a return containing information on exports during the period is provided to the Collector.

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LEGISLATIVE RESEARCH SERVICE