

1980

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CUSTOMS AMENDMENT BILL (NO. 4) 1980

EXPLANATORY MEMORANDUM

(Circulated by the Authority of the
Minister for Business and Consumer
Affairs, the Honourable John Moore, M.P.)

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Purpose of the Bill

The purpose of this Bill is to amend the Customs Act 1901, to incorporate in that Act the rules for determining the origin of goods the manufacture of a Forum Island Country. This will allow additional preferential tariff treatment to be accorded to those countries following the signing by Australia of the South Pacific Regional Trade and Economic Co-operation Agreement at the eleventh meeting of the South Pacific Forum at Tarawa, Kiribati on 14 July 1980.

This Bill, and a related Customs Tariff Amendment Bill (No. 2) 1980, form part of a package of measures to give effect to the Agreement which has the objective of achieving progressive unrestricted and non-reciprocal access to the markets of Australia and New Zealand for a wide range of products from Forum Island Countries.

Forum Island Countries which are signatories to this Agreement and will be eligible for tariff concessions are the Cook Islands, Kiribati, Niue, Solomon Islands, Tonga, Tuvalu and Western Samoa. The Government's of Fiji and Papua New Guinea have indicated their intention to sign the Agreement.

The new rules of origin for Forum Island Countries will allow certain specified goods originating in Forum Island Countries to be accorded more advantageous tariff preference than that currently accorded under the rates of duty applicable to goods from developing countries. The goods so specified are to be listed in Part X of Schedule 5 to the Customs Tariff Act 1966.

The additional tariff preferences to be accorded to the Forum Island Countries pursuant to the Agreement will have effect on and from 1 January 1981.

Clause 1

Short Title and citation of the Principal Act.

Clause 2

Commencement date to be 1 January 1981.

Clause 3

- (i) paragraphs (a), (c) and (d) are formal amendments only.
- (ii) paragraph (b) inserts two new sub-sections in section 151 of the Principal Act to incorporate in that Act the rules for determining the origin of goods the manufacture of Forum Island Countries.

Under the proposed new sub-sections goods shall be treated by the Government of Australia as originating in the territory of a Forum Island Country if the goods are manufactured goods in relation to which:

- (i) the process last performed in the manufacture of the goods was performed in a Forum Island Country; and
- (ii) not less than 50% of the factory or work cost of the goods is represented by the value of labour and/or materials of:
 - (a) a Forum Island Country;
 - (b) that Forum Island Country and one or more Forum Island Countries; or
 - (c) one or more Forum Island Countries and Australia.

Provision is made for the Minister, in special circumstances, to determine that a lesser percentage be substituted for 50% for particular classes of goods, which may be goods of particular Forum Island Countries only, in order for that class of goods to qualify for Forum Island Country preferential rates of duty.

- (iii) paragraph (e) defines "Forum Island Country" to have the same meaning as in the Customs Tariff Act 1966 - the definition is proposed to be inserted in that Act by the Customs Tariff Amendment Bill (No. 2) 1980.