

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**CUSTOMS TARIFF AMENDMENT BILL (No. 1) 1996**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Industry, Science And Tourism,  
the Honourable John Moore, MP)



## CUSTOMS TARIFF AMENDMENT BILL (NO. 1) 1996

### OUTLINE

This Bill proposes tariff rate changes consequential on the substantial administrative and legislative reforms to both the Tariff Concession System and the Policy By-Law System which are contained in the Customs Amendment Bill 1996. Both Bills are part of a legislative package which modifies the concessional treatment of goods imported under both these Schemes in line with the Government's proposals announced on 8 May 1996.

This Tariff Bill introduces changes to the *Customs Tariff Act 1995* to change from "Free" to "3%" the concessional duty rate applying to Tariff Concession Orders under Part XVA of the *Customs Act 1901* (item 19 and item 50 of Schedule 4 to the Tariff Act) and to policy by-law items 47, 55, 57 and 60 of Schedule 4 of the Tariff Act.

### FINANCIAL IMPACT STATEMENT

The amendments proposed in this Bill will result in the following savings to revenue:

a) Tariff Concession System changes

the proposed rate changes for items 19 and 50 will result in revenue savings of:

1996-97	1997-98	1998-99	1999-00
\$338m	\$358m	\$393m	\$413m

b) Policy By-Law changes

the proposed rate changes for items 47, 55, 57 and 60 will result in revenue savings of:

1996-97	1997-98	1998-99	1999-00
\$18m	\$20m	\$21m	\$23m

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### NOTES ON CLAUSES

#### **Clause 1 - Short Title**

This clause provides for the Bill to be cited as the *Customs Tariff Amendment Act 1996*.

#### **Clause 2 - Commencement**

This clause provides for the commencement of the Bill to be fixed by Proclamation at a time after the time that the Customs Tariff (Miscellaneous Amendments) Bill 1996 commences. The requirement that this Bill not commence before the commencement of the Miscellaneous Amendments Bill is necessary as the amendments in Schedule 1 of this Bill are dependent on the technical amendments in the first mentioned Bill already being in place.

The Proclamation commencement is subject to the standard provision that if no provision has been made for commencement within 6 months of the Act receiving the Royal assent, the Bill will commence automatically on the first day after the end of that 6 month period (subclause 2(2) refers).

#### **Clause 3 - Schedule(s)**

This clause is the formal enabling provision for the Schedule to the Bill, providing that each Act specified in the Schedule (in this case the *Customs Tariff Act 1995*) is amended in accordance with the applicable items of the Schedule. The clause also provides that the other items of the Schedules have effect according to their terms. This is a standard enabling clause for transitional, savings and application items in amending legislation. This Bill, however, has no such items.

**Schedule 1 - Amendments of the Customs Tariff Act 1995****Item 1 - Item 11 of Schedule 4**

This item repeals item 11 of Schedule 4 to the *Customs Tariff Act 1995*. Item 11 currently applies a 5% concessional rate of duty to goods of Canadian origin through the granting of Tariff Concession Orders. With the phasing of general rates of duty to 5% on 1 July 1996 this item becomes redundant.

**Items 2 and 4 - Items 19 and 50 of Schedule 4**

These items amend items 19 and 50 of Schedule 4 to the *Customs Tariff Act 1995* to increase the concessional rate of duty from "Free" to "3%". These items provide the mechanism by which goods the subject of Tariff Concession Orders obtain a concessional rate of duty. Item 19 relates to goods sent overseas for repair and item 50 relates to the goods for which no substitutable goods are produced in Australia.

**Items 3, 5, 6, and 7 - Items 47, 55, 57 and 60 of Schedule 4**

These items amend items 47, 55, 57 and 60 of Schedule 4 to the *Customs Tariff Act 1995* to increase the concessional rate of duty from "Free" to "3%". These items represent 4 of the so-called "Policy By-law" items and provide the mechanism by which goods the subject of a by-law or determination made under section 271 or 273, respectively, of the *Customs Act 1901*, obtain a concessional rate of duty.