

1985  
PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

CUSTOMS TARIFF AMENDMENT BILL 1985  
EXPLANATORY MEMORANDUM

(Circulated by the Authority of the  
Minister for Industry, Technology and Commerce,  
Senator the Honourable John N. Button)



## CUSTOMS TARIFF AMENDMENT BILL 1985

### OUTLINE

The purpose of this Bill is to enact changes to the Customs Tariff Act 1982 made by Customs Tariff Proposals Nos. 1-4 (1985). Those Proposals were introduced into the House of Representatives during the Autumn 1985 Sittings.

The changes contained in the Bill arise from:

- . Government decisions made on Industries Assistance Commission Reports as shown in Attachment 'A' to this memorandum; and
- . Government decisions not emanating from the Industries Assistance Commission, including changes arising from ongoing implementation of certain trade arrangements, sectoral industry policies and tariff simplification and updating. These changes are shown in Attachment 'B'.

It is not possible to accurately estimate the total financial impact of the Bill. Some of the measures contained in the Bill are expected to have little or no impact in financial terms. Other changes in the Bill, including those related to specific aspects of industries assistance policy, may take some time to result in changed import volumes and, hence, revenue collections. It has, however, been possible to estimate the financial impact of certain changes contained in the Bill. These changes include:

- the removal of Separate Articles Direction No. 1 (1983);
- certain consumer electronic equipment and components;
- the removal of the 2% or less duty on goods for use in the construction or modification of bountiable vessels; and
- certain steels.

It is estimated that revenue collections forgone in respect of these changes may amount to \$9.2 million next financial year. This estimate may be offset to some extent by increased levels of imports and a short-term gain to revenue anticipated in respect of the post-1984 assistance arrangements for passenger motor vehicles.

No significant administrative costs are anticipated in respect of the Bill.

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REPORTS BY THE INDUSTRIES ASSISTANCE COMMISSION

- . Separate Articles Direction No. 1 (1983)
- . Certain Consumer Electronic Equipment and Components

ATTACHMENT 'B'

- . Amendments arising out of the Government's acceptance of the recommendations of the Steel Industry Authority's August 1984 Report on Cold Rolled Strip and Sheet excluding Tinplate;
- . Amendments to give effect to certain aspects of the Government's decision in respect of the post-1984 arrangements for passenger motor vehicles;
- . The insertion of a new Item 56 in Part I of Schedule 4 to the Principal Act to give effect to the Government's decision to remove the Customs duty of 2% or less on goods imported for use in the construction or modification of bountiable vessels;
- . Amendments of Part II of Schedule 4 to the Principal Act, following the settlement of premium tender rates of duty applicable to the 1985 Textiles, Clothing and Footwear Import Quota Allocation. Also included in these changes were phased duty reductions in certain base tariff quota items for goods of New Zealand origin;
- . An amendment of Legal Note 2 to Part II of Schedule 4 to simplify the terms of the Note and to align Column 1 of the Table to the Note to the relevant goods listed in Column 2 of the Table;
- . Amendments of Schedule 5 to the Principal Act to remove redundant tariff provisions following duty reductions done in accordance with the phasing arrangements set out in the Australia New Zealand Closer Economic Relations - Trade Agreement;
- . The amendment of Developing Country Preference arrangements for goods which are subject to the Textiles, Clothing and Footwear Sectoral Policy;
- . Amendments arising out of the Government's acceptance of the recommendations of the May 1984 Report of the Textiles, Clothing and Footwear Advisory Committee;
- . Amendments to make the Customs Tariff Act as up-to-date and as simple as possible in accordance with the principle of Customs Tariff Simplification; and
- . Amendments of Schedule 1 to the Principal Act to correctly indicate the names of certain countries listed in that Schedule.

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DETAILED DESCRIPTION OF THE BILL

A Bill for an Act relating to duties of Customs

Clause 1 - Citation - Customs Tariff Amendment Act 1985

Clause 2 - Date of Commencement - date of Royal Assent except as otherwise provided.

Sections 3 and 5	- 26 October 1984
Section 4	- 11 October 1984
Section 6	- 21 November 1984
Section 7	- 1 January 1985

Clause 3 - Provides for the repeal of section 26 of the Principal Act.

. Section 26 of the Principal Act is repealed following the Government's acceptance of the Industries Assistance Commission's recommendation in its report on Separate Articles Direction No. 1 (1983) that this section be repealed and that the Separate Articles Direction be cancelled.

Clause 4 - Provides that the amendment in Schedule 1 shall operate from 11 October 1984.

. Covers - a new Item 56 to provide for the removal of Customs duty of 2% or less applying to goods imported for use in the construction or modification of vessels covered by the Bounty (Ships) Act 1980.

Clause 5 - Provides that the amendments in Schedule 2 shall operate from 26 October 1984.

. Covers - changes arising from the Government's decisions on Industries Assistance Commission's Reports on Separate Articles Direction No. 1 (1983) and Certain Consumer Electronic Equipment and Components.

Clause 6 - Provides that the amendments in Schedule 3 shall operate from 21 November 1984.

. Covers - changes arising from the Government's decision on the Steel Industry Authority's Report on Cold Rolled Strip and Sheet excluding Tinplate.

Clause 7 - Provides that amendments in Schedule 4 shall operate from 1 January 1985.

- . Covers - Government's decision to give effect to certain aspects of the post-1984 arrangements for passenger motor vehicles;
- amendments of Parts II and III of Schedule 1, to correctly describe the Federal Republic of Nigeria, People's Republic of Bangladesh, Kingdom of Nepal, Islamic Republic of Pakistan, Kampuchea and the United Arab Emirates, and a change in name of Upper Volta to Burkina Faso;
- tariff simplification changes including:
  - . removal of redundant phasing rates of duty; and
  - . amalgamation of tariff classifications where rates of duty had become identical;
- Developing Country exclusions under the 1985 Textiles, Clothing and Footwear arrangements;
- amendments arising out of the Government's decision on the May 1984 Report of the Textiles, Clothing and Footwear Advisory Committee;
- an amendment of Legal Note 2 to Part II of Schedule 4 to simplify the terms of the Note, and to align Column 1 of the Table to the Note with the relevant Schedule 3 classification specified in Column 2 to Part II of Schedule 4;
- amendments of Part II of Schedule 4 to the Principal Act, following the settlement of premium tender rates of duty applicable to the 1985 Textiles, Clothing and Footwear Import Quota Allocation, including phased duty reductions in certain base tariff quota items for goods of New Zealand origin; and

- implementation of phasing duty arrangements under the Australia New Zealand Closer Economic Relations-Trade Agreement.