

1983-84

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

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CUSTOMS TARIFF AMENDMENT BILL (No. 2) 1984

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EXPLANATORY MEMORANDUM

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

## CUSTOMS TARIFF AMENDMENT BILL (No. 2) 1984

## OUTLINE

The purpose of the Bill is to enact changes to the *Customs Tariff Act 1982* to impose Customs duties equivalent to a sales tax of 10% on alcoholic grape wine and 20% on alcoholic cider and on beer containing not more than 1.15% by volume of alcohol.

The Bill is complementary to changes to the Sales Tax (Exemptions and Classifications) Act which impose sales tax on locally produced and imported products. This equalization of sales tax alters the levels of assistance accorded to locally produced goods as the imported products only were previously subject to sales tax at a rate of 20%.

For beer and cider the full 20% rate is being converted into an equivalent Customs duty. However, on grape wine Australia has entered into commitments under the General Agreement on Tariffs and Trade not to increase Customs duty above certain specified bound levels. Negotiations have been taking place with the principal countries supplying wine to the Australian market with a view to accommodating the sales tax within the level of the binding on the Customs duty. With these considerations in mind, the present sales tax on imported wine is being replaced by a Customs duty equivalent to a sales tax of 10%. This action is seen as being fully consistent with Australia's obligations under the GATT.

## CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 1984

**Detailed Description of the Bill**

A Bill for an Act relating to duties of Customs

Clause 1—Citation—Customs Tariff Amendment Act (No. 2) 1984

Clause 2—Date of Commencement—8 o'clock in the evening by standard time in the Australian Capital Territory on 21 August 1984

Clause 3—The Principal Act is amended as set out in the Schedule. The amendments are summarised hereunder:

Unless otherwise indicated:

General Tariff (GT) rates are applicable to all sources except New Zealand (NZ) and Papua New Guinea (PNG).

Papua New Guinea rates are Free.

New Zealand rates are Free except when specified in Schedule 5.

Developing Country (DC) rates apply to Forum Island Countries (FI) and Declared Preference Countries (DPC).

## AMENDMENTS TO SCHEDULE 3

*Amendment No. 1*

Goods	General and Special Rates	
	Previous	Proposed
Beer containing not more than 1.15% by volume of alcohol (22.03.9)	GT: 15% DC: Free	GT: 37% FI: Free DC: 22% INCREASE GT, DC NO CHANGE FI

*Amendment No. 2*

Goods	General and Special Rates	
	Previous	Proposed
Champagne containing more than 1.15% by volume of alcohol (22.05.11)	GT: \$0.48/L	GT: 11%, and \$0.48/L INCREASE
Other champagne (22.05.19)	GT: \$0.48/L	GT: \$0.48/L NO CHANGE
Other sparkling wine, containing more than 1.15% by volume of alcohol (22.05.21)	GT: \$0.65/L	GT: 13%, and \$0.65/L INCREASE
Other sparkling wine (22.05.29)	GT: \$0.65/L	GT: \$0.65/L NO CHANGE
Other wine, containing more than 1.15% by volume of alcohol but not more than 20% by volume of alcohol, in packs not exceeding 5L (22.05.311)	GT: \$0.25/L	GT: 11%, and \$0.25/L INCREASE
Other wine, containing not more than 1.15% by volume of alcohol, in packs not exceeding 5L (22.05.319)	GT: \$0.25/L	GT: \$0.25/L NO CHANGE
Other wine, containing more than 1.15% by volume of alcohol but not more than 20% by volume of alcohol, in packs exceeding 5L (22.05.391)	GT: \$0.40/L	GT: 16%, and \$0.40/L INCREASE
Other wine, containing not more than 1.15% by volume of alcohol, in packs exceeding 5L (22.05.399)	GT: \$0.40/L	GT: \$0.40/L NO CHANGE
Other wine (22.05.4)	GT: \$0.70/L	GT: 11%, and \$0.70/L INCREASE

Goods	General and Special Rates	
	Previous	Proposed
Grape must with fermentation arrested by the addition of alcohol (22.05.9)	GT: \$0.70/L	GT: \$0.70/L NO CHANGE
Vermouths, and other wines of fresh grapes flavoured with aromatic extracts, containing more than 1.15% by volume of alcohol (22.06.1)	GT: \$0.25/L	GT: 12%, and \$0.25/L INCREASE
Vermouths, and other wines of fresh grapes with aromatic extracts, containing not more than 1.15% by volume of alcohol (22.06.9)	GT: \$0.25/L	GT: \$0.25/L NO CHANGE
Cider containing more than 1.15% by volume of alcohol (22.07.1)	GT: \$0.30/L FI: Free	GT: 23%, and \$0.30/L FI: Free INCREASE GT NO CHANGE FI
Perry, mead and other fermented beverages (including cider containing not more than 1.15% by volume of alcohol) (22.07.9)	GT: \$0.30/L FI: Free	GT: \$0.30/L FI: Free NO CHANGE

#### AMENDMENTS TO SCHEDULE 5

Consequential amendments to amendments to Schedule 3.  
No changes to New Zealand rates are involved.