

# LIBRARY

1988

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 1988

EXPLANATORY MEMORANDUM

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



## CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 1988

### GENERAL OUTLINE

The purpose of this Bill is to enact changes to the Customs Tariff Act 1987. The changes are to operate on and from 13 April 1988.

The proposed changes to the Principal Act are necessary to implement the Government's decision taken following its review of the Passenger Motor Vehicle Manufacturing Plan.

### FINANCIAL IMPACT

The revenue implications of the tariff changes cannot be estimated with any satisfactory degree of accuracy because of uncertainties about price and market response and the effects of other economic factors on consumer behaviour in this market.

Nevertheless, it is suggested that in 1988/89, a net revenue gain will occur.

CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 1988

NOTES ON CLAUSES

A Bill for an Act to amend the Customs Tariff Act 1987.

Clause 1 - Citation - Customs Tariff Amendment Act (No. 2) 1988

Clause 2 - Date of Commencement  
This Act commences on the 13 April 1988

Clause 3 - Provides for amendments to the Principal Act as specified in the Schedule to the Bill:

- . Covers - A series of amendments arising from the Government's decision on the Review of the Passenger Motor Vehicle Manufacturing Plan to ensure the overall objectives of its policy are achieved:
  - . the abolition of tariff quotas applicable to Passenger Motor Vehicles;
  - . Customs duties on completely built-up (CBU) passenger motor vehicles reduced from 57.5 per cent to 45 per cent on announcement and then phased by 2.5 per cent each year until 1992 when the rate will be 35 per cent;
  - . completely knocked down (CKD) packs and certain original equipment components (OE) attract the same rate of duty as CBU vehicles;
  - . the rate of duty applying to CBU light commercial vehicles and CBU four-wheel drive vehicles reduced to 20 per cent immediately and then phased to 15 per cent by 1992;
  - . the rate of duty applying to CKD light commercial vehicles and CKD four-wheel drive vehicles reduced to 10 per cent immediately; and
  - . the insertion of a new Additional Note to Chapter 87 to clarify the meaning of "assembled".