

CUSTOMS TARIFF AMENDMENT

BILL (NO. 2) 1995

SUMMARY

OF

AMENDMENTS



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CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 1995

SUMMARY OF AMENDMENT

SECTION 4

REASON FOR AMENDMENT: . . . To extend the concession contained in item 63 in Part III of Schedule 4 to the *Customs Tariff Act 1987*.

DATE OF EFFECT: 7 July 1994

NOTE: Unless otherwise indicated New Zealand (NZ), Papua New Guinea (PNG), Forum Island Countries (FI) and Developing Country (DC) and (DCS) rates are Free.

Amendment of Part III of Schedule 4

In the *Customs Tariff Amendment Act 1994* (Act 87 of 1994), item 63 was inserted to provide for the duty free importation of certified reference materials. Reference materials are compounds with accurately known compositions which are used as a standard against which like materials and processes are compared and apparatus calibrated.

This amendment extends the concession to allow these reference materials to be imported duty free and used in a wider number of processes and industries. Thus the manufacturing industry will be provided with cheaper inputs.

CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 1995

SUMMARY OF AMENDMENTS

SCHEDULE 1

REASON FOR AMENDMENTS: . To clarify the meaning of the term "wholly" where it appears in certain tariff subheadings in Section XI of the Customs Tariff.

DATE OF EFFECT: 18 November 1994

NOTE: Unless otherwise indicated New Zealand (NZ), Papua New Guinea (PNG), Forum Island Countries (FI) and Developing Country (DC) and (DCS) rates are Free.

Amendments Nos. 1-9

Schedule 3

Subheading Note 2(A) to Section XI (Textiles and Textile Articles) provides that where products of Chapters 56 to 63 of the *Customs Tariff Act 1987* contain two or more materials, the predominant material by weight is to be considered the only material for classification purposes. The Note provides that in these circumstances the goods will be treated as being "wholly" of the predominant fibre. Where there are specific references to actual percentages, these take precedence over Subheading Note 2(A).

Section XI also contains a number of tariff subheadings that refer to goods that are "wholly" of a particular fibre. The word "wholly" in these cases was originally intended to mean goods that are composed completely of certain types of fibres.

However, in February 1994, the Administrative Appeals Tribunal (AAT) determined that blankets containing viscose rayon in quantities varying from 81% to 94% were "wholly" of viscose. This had the effect of reducing the intended industry assistance from 27% to Free. In its finding the AAT accepted that specific references to actual percentages created a contrary intention to Subheading Note 2(A). The Tribunal declined however to find that a reference to "wholly" should be regarded in the same way as a reference to an actual percentage of 100%.

These amendments redefine the description of goods of those tariff subheadings by replacing the word "wholly" with "of 100%". This will reinstate the intended level of assistance to the subject goods.

CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 1995

SUMMARY OF AMENDMENTS

SECTION 3

AND

SCHEDULE 2

REASONS FOR AMENDMENTS: . Implements the Government's decision on Industry Commission Report No. 39 on the Tobacco Growing and Manufacturing Industries; and
 . minor alteration to 9032.90.90 to ensure that the intended duty rate is preserved.

DATE OF EFFECT: 1 January 1995

NOTE: Unless otherwise indicated New Zealand (NZ), Papua New Guinea (PNG), Forum Island Countries (FI) and Developing Country (DC) and (DCS) rates are Free.

Amendment of the *Customs Tariff Act 1987*

The Table in section 26(1) of the Principal Act is amended as a consequence of the close-up of tariff subheadings in Chapter 24 of the Customs Tariff. This section is the legal means by which the Consumer Price Index (CPI) adjustments are applied to certain excise equivalent commodities (ie. beer, spirituous liquors, petroleum products and tobacco products). The Table now reflects the revised list of tariff subheadings to which CPI adjustments are applied.

Amendment No. 1

Schedule 3

On 29 October 1993, the Assistant Treasurer asked the Industry Commission to inquire and report on the Australian Tobacco Growing and Manufacturing Industries.

On 13 December 1994, in a joint ministerial statement, the Ministers for Primary Industries and Energy, Trade, and Industry, Science and Technology and the Assistant Treasurer announced the Government's response to Industry Commission Report No. 39 of 29 June 1994. The statement outlines the main elements of an industry package, which embodies all key measures within a proposal submitted to the Australian Government and the State Governments of Queensland, Victoria and New South Wales by tobacco growers and manufacturers.

The statement announced that the customs duty on all imports of tobacco leaf, manufactured tobacco and tobacco products would be Free commencing 1 January 1995. This means that manufactured tobacco and tobacco products will only attract the excise equivalent duty.

Amendment No. 2

Schedule 3

The World Trade Organization Agreement came into effect for Australia on 1 January 1995. Because of the tariff bindings agreed by Australia it was necessary to legislate many phased reductions of tariff rates. These amendments were legislated in the *Customs Tariff (World Trade Organization Amendments) Act 1994* (Act 152 of 1994).

As changes made in that Act lowered the rate of duty for some tariff subheadings below 15%, importers have been prevented from claiming their intended phased reductions for certain goods which are not of a kind used as replacement components in passenger motor vehicles.

This amendment provides a new tariff subheading 9032.90.99 to allow parts for regulating and controlling instruments, which are not of a kind used as replacement components in passenger motor vehicles, to claim the intended rate of duty and the duty phase down to 5% by 1 July 1996.

Amendments Nos. 1-2

Part III of Schedule 4

As a result of unmanufactured tobacco becoming free of customs duty, the concessional Schedule 4 items 35B and 35C have become superfluous and are omitted. A consequential change is also necessary to the Table to item 53A.

CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 1995

SUMMARY OF AMENDMENT

SCHEDULE 3

REASON FOR AMENDMENT: Minor alteration to tariff subheading 8531.10.1 to ensure the intended duty rate is preserved.

DATE OF EFFECT: 1 January 1996

NOTE: Unless otherwise indicated New Zealand (NZ), Papua New Guinea (PNG), Forum Island Countries (FI) and Developing Country (DC) and (DCS) rates are Free.

Amendment of Schedule 3

The World Trade Organization Agreement came into effect for Australia on 1 January 1995. Because of the tariff bindings agreed by Australia it was necessary to legislate many phased reductions of tariff rates. These amendments were legislated in the *Customs Tariff (World Trade Organization Amendments) Act 1994* (Act 152 of 1994).

As changes made in that Act lowered the rate of duty for some tariff subheadings below 15%, importers have been prevented from claiming their intended phased reductions for certain goods which are not of a kind used as replacement components in passenger motor vehicles.

This amendment provides a new tariff subheading 8531.10.19 to allow burglar alarms, which are not of a kind used as replacement components in passenger motor vehicles, to claim the intended duty rate and the duty phase down to 5% by 1 July 1996.