

1983-84

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

CUSTOMS TARIFF AMENDMENT BILL (NO.3) 1984
EXPLANATORY MEMORANDUM

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

CUSTOMS TARIFF AMENDMENT BILL (NO.3) 1984

OUTLINE

The purpose of this Bill is to enact changes to the Customs Tariff Act 1982 made by Customs Tariff Proposals Nos. 5-10 (1984) which were introduced into the House of Representatives during the 1984 Autumn and Budget Sitzings of Parliament. The changes emanate from:

- . Government's Budget decisions in respect of Customs duties applying to certain beer, manufactured tobacco products and aviation fuels. These changes are complementary to changes in the Excise Tariff Act 1921;
- . Government decisions made on Industries Assistance Commission Reports as shown in Attachment "A" to this memorandum; and
- . decisions not emanating from Industries Assistance Commission Reports as shown in Attachment "B" to this memorandum.

In addition to changes introduced by Customs Tariff Proposals the Bill also:

- . contains an amendment to paragraph (4)(a) of Section 13 of the Principal Act, to clarify the intention that phasing rates of duty to which that paragraph relates apply only in respect of tariff classifications in Schedule 3 to the Principal Act; and
- . contains amendments to sub-sections 26A(2) and 26A(3) of the Principal Act to include references to the fact that indexation of certain amounts of Customs duty occurs on a particular day.

ATTACHMENT "A"

CUSTOMS TARIFF AMENDMENT BILL (NO.3) 1984

REPORTS BY THE INDUSTRIES ASSISTANCE COMMISSION

- . Computer Hardware and Software; Typewriters, Calculating and Other Office Machines; Parts and Accessories; Recording Media
- . Electric Motors (Interim Report)

ATTACHMENT "B"

- . The Government's decision on interim duty arrangements to apply to certain motor vehicles for the period 30 May to 31 December 1984;
- . The alteration to the Developing Countries' concession applicable to fireworks. Duty free admission continues for imports from all Developing Country sources except the People's Republic of China, Hong Kong and Taiwan Province. Goods from China, Hong Kong and Taiwan now receive a margin of preference of nine percentage points;
- . The insertion of a new Legal Note to Chapter 97 of the Principal Act. The Note ensures that gymnasium equipment is classified in that Chapter and restores the level of assistance applicable to locally manufactured goods. This change also ensures that such equipment is classified in accordance with the Customs Co-operation Council Nomenclature;
- . The rewording of item 58.09 in Schedule 3 to the Principal Act to give effect to a Customs Co-operation Council ruling that knitted lace is excluded from this item;
- . An amendment to permit imports of wooden furniture components from Forum Island Countries duty free entry, subject to certain quota limitations;
- . The rewording of sub-item 39.01.5 in Schedule 3 to the Principal Act to clarify its scope in relation to certain planar forms of artificial plastic material;
- . Amendments to the designation of certain countries and places eligible for Declared Preference Country and Developing Country Preferences. These changes are necessary following the independence of or the changing of the names of the countries or places in question;
- . An amendment to correctly express two New Zealand rate references in Schedule 5 to the Principal Act in terms of the relevant tariff classifications set out in Schedule 3 to the Principal Act;
- . The insertion of a new provision for simple amine salts of the chemicals 2, 4-D and 2, 4, 5-T in Schedule 3 to the Principal Act in order to comply with a Customs Co-operation Council ruling;
- . An amendment to sub-item 56.07.1 in Schedule 3 to the Principal Act to avoid possible problems in applying the terms of the sub-item in the absence of any tolerance provisions in the Principal Act in relation to the precise content of materials of which goods are composed;
- . Amendments to apply minimum rates of duty to diving boots and ski boots in Schedule 3 to the Principal Act. This action is in accord with the Government's sectoral policy for the Textiles, Clothing and Footwear Industries;

- . An amendment to specifically provide for hot stamping machines in tariff item 84.35 in Schedule 3 to the Principal Act following a ruling by the Administrative Appeals Tribunal. The rates of duty which applied to these machines under their previous classification are transferred to the item in which the Tribunal has ruled the goods are classified. This action restores the level of assistance determined by Government for these goods;
- . The introduction of a Developing Country margin of preference of five percentage points for sub-item 85.19.9 in Schedule 3 to the Principal Act and the removal of the Developing Country quota applying to that classification;
- . The amendment of concessional tariff Item 53 and the creation of a new Item 55 in Part I of Schedule 4 to the Principal Act. These items provide for separate concessional arrangements for goods to which a Commercial Tariff Concession Order applies and which are subject to an agreement between Australia and Canada under the Canada-Australia Trade Agreement or Australia and New Zealand under the Closer Economic Relations Trade Agreement. The General tariff rate applying to goods entered under these items has been reduced from 6% to .5% for tariff simplification reasons;
- . A change to Legal Note 2 in Part II of Schedule 4 to the Principal Act relating to the concessional entry of certain handicraft goods. The change corrects a drafting anomaly in the note and does not affect duty rates;
- . The deletion of certain phasing rates of duty contained in Schedule 3 to the Principal Act. These rates have become redundant by the passage of time and therefore their retention is unnecessary. These changes have no effect on the rates of duty currently applying to the goods involved; and
- . Continuation beyond 8 April 1984, of Canadian margins of preference in respect of certain steel products.

CUSTOMS TARIFF AMENDMENT BILL (NO.3) 1984

DETAILED DESCRIPTION OF THE BILL

A Bill for an Act relating to duties of Customs

Clause 1 - Citation - Customs Tariff Amendment Act (No.3) 1984

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

Section 3	- 1 January 1983
Section 4	- 23 November 1983
Section 5	- 6 April 1984
Section 6	- 30 May 1984
Section 7	- 1 July 1984
Section 8	- 6 July 1984
Section 9	- 18 July 1984
Section 10	- eight o'clock in the evening by standard time in the Australian Capital Territory on 21 August 1984

Clause 3 - Provides that the amendment to Section 13 of the Principal Act shall operate from 1 January 1983

- . Covers - an amendment to paragraph(4)(a) to clarify the intention that phasing rates of duty to which that paragraph relates apply only in respect of tariff classifications in Schedule 3 to the Principal Act.

Clause 4 - Provides that amendments to sub-sections 26A(2) and 26A(3) of the Principal Act shall operate from 23 November 1983

- . Covers - amendments to sub-sections 26A(2) and 26A(3) to include references to the fact that indexation of certain amounts of Customs duty occurs on a particular day.

Clause 5 - Provides that amendments in Schedule 1 shall operate from 6 April 1984

- . Covers - the Government's decision to alter the Developing Countries' (DC) concession on fireworks of item 36.05 in Schedule 3 to the Principal Act. Imports from Hong Kong, the People's Republic of China and Taiwan Province have their duty rate increased from Free to 15%. Imports from other DC sources remain duty free

- the maintenance of the margins of preference for Canadian goods under tariff paragraphs 73.15.12 and 73.18.11 in Schedule 3 to the Principal Act, beyond 8 April 1984
- the insertion of a new Legal Note to Chapter 97 in Schedule 3 to the Principal Act to restore levels of protection applicable to gymnasium equipment and to align the Australian Customs Tariff with the Customs Co-operation Council's Nomenclature
- an amendment to the wording of item 58.09 in Schedule 3 to the Principal Act to ensure that knitted lace is not classified within that item, in accordance with a ruling by the Customs Co-operation Council
- rewording of tariff sub-item 39.01.5 in Schedule 3 to the Principal Act to clarify its scope in relation to certain planar forms of artificial plastic material
- the provision for the duty free entry, subject to quota limitation, of wooden furniture components from Forum Island Countries
- amendments to the designation of certain countries and places eligible for Declared Preference Country and Developing Country Preferences following the independence or the changing of the names of the countries or places
- an amendment to two New Zealand rate references in Schedule 5 to the Principal Act to correctly align them on the relevant classifications set out in Schedule 3 to the Principal Act.

Clause 6 - Provides that amendments in Schedule 2 shall operate from 30 May 1984

- . Covers - the Government's decision on interim duty arrangements to apply to certain motor vehicles for the period 30 May to 31 December 1984.

Clause 7 - Provides that amendments in Schedule 3 shall operate from 1 July 1984

- . Covers - the insertion of a new provision for simple amine salts of the chemicals 2, 4-D and 2, 4, 5-T in Schedule 3 to the Principal Act to comply with a Customs Co-operation Council ruling

- an amendment to the terms of sub-item 56.07.1 in Schedule 3 to the Principal Act in order to avoid problems in applying the terms of that sub-item in the absence of any tolerance provisions in relation to fibre content
- amendments to Schedule 3 and Part II of Schedule 4 to the Principal Act to apply minimum rates of duty to diving boots and ski boots of tariff sub-item 64.02.1 and item 64.04 in Schedule 3 to the Principal Act. This action is in accord with the Government's sectoral policy for the Textiles, Clothing and Footwear Industries
- an amendment to specifically provide for hot stamping machines in tariff item 84.35 in Schedule 3 to the Principal Act, following a recent ruling by the Administrative Appeals Tribunal. This action restores the level of assistance determined by the Government for these goods
- the introduction of a Developing Country margin of preference of five percentage points for tariff sub-item 85.19.9 in Schedule 3 to the Principal Act and the abolition of the Developing Country quota applying to that classification
- the amendment of concessional tariff Item 53 and the creation of a new Item 55 in Part I of Schedule 4 to the Principal Act, to provide for separate concessional arrangements made under the Australia-New Zealand Closer Economic Relations Agreement and the Canada-Australia Trade Agreement. The general tariff rate applying to goods entered under these Items has been reduced from 6% to 5% for tariff simplification reasons
- an amendment to Legal Note 2 of Schedule 4 to the Principal Act relating to the concessional entry of certain handicraft goods. The change corrects a drafting anomaly. Duty rates are not affected
- the deletion of certain phasing rates of duty contained in Schedule 3 to the Principal Act which have become redundant with the passage of time.

Clause 8 - Provides that amendments in Schedule 4 shall operate from 6 July 1984

- . Covers - the Government's decision on the Industries Assistance Commission's Report on Computer Hardware and Software; Typewriters, Calculating and Other Office Machines; Parts and Accessories; Recording Media.

Clause 9 - Provides that the amendment in Schedule 5 shall operate from 18 July 1984

- . Covers - the Government's decision on the Industries Assistance Commission's Interim Report on Electric Motors.

Clause 10 - Provides that amendments in Schedule 6 shall operate from the hour of eight o'clock in the evening by standard time in the Australian Capital Territory on 21 August 1984

- . Covers - Customs duty decrease in respect of beer having an alcoholic strength of more than 1.15 per cent by volume but not more than 3.8 per cent by volume. Customs duty increases in respect of kerosene and gasoline for use in aircraft and for manufactured tobacco. These changes are consequent on changes to the rates for the equivalent goods in the Excise Tariff Act.

