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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CUSTOMS TARIFF AMENDMENT (OFF-SHORE INSTALLATIONS)

BILL 1982

EXPLANATORY MEMORANDUM

(Circulated by the Authority of the Minister for Business
and Consumer Affairs, the Honourable John Moore, M.P.)

CUSTOMS TARIFF AMENDMENT (OFF-SHORE INSTALLATIONS)
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Purpose of the Bill

This Bill amends the Customs Tariff Act so as to ensure that equipment and goods used in the exploration or exploitation of the natural resources of the seabed and subsoil of the Continental shelf of Australia receive the same treatment as regards liability for customs duties as equipment and goods used in similar operations which take place on the mainland of Australia.

Under present arrangements, installations and goods for use on, or in connection with, the installations have been required to be first imported into Australia before being used off-shore. These arrangements have an uncertain legal basis and are no longer appropriate in the context of proposed developments on the north-west shelf of Western Australia. Resulting from this development giant oil rig platforms will be brought direct from Japan to their proposed operating sites on the continental shelf.

The Bill is part of a package of measures extending the Commonwealth's taxing and control powers to off-shore operations and is complementary to the Off-Shore installations (Miscellaneous Amendments) Bill 1982.

The Bill also contains amendments to the Customs Tariff Act which will identify the actions which constitute exportation of an installation and associated goods or the exportation of goods direct from an installation.

- Clause 1 - Citation of the Amending Act and identification of the Principal Act as the Customs Tariff Act 1966 (with which the Customs Act 1901 is incorporated and read as one).
- Clause 2 - Commencement to be on the 28th day after the day in which the Off-shore Installations (Miscellaneous Amendments) Act 1982 receives the Royal Assent. This is the uniform commencement day of the "off-shore" package of measures.
- Clause 3 - Inserts new provisions which -
- (a) deem to be part of Australia for the purposes of the Customs Act:
 - . any installation that is attached to the Australian seabed at the date of commencement (proposed sub-section 6AA(2));
 - . any overseas installation or other installation that becomes so attached after the date of commencement (proposed sub-sections 6AA(1) and (3));
 - (b) provide that an installation that is deemed to be part of Australia shall cease to be such a part upon it being detached from the seabed or from another installation for the purpose of being taken outside the outer limit of Australian waters (proposed sub-section 6AA(4));
 - (c) deem to be imported into Australia -
 - (i) an installation that is brought direct from overseas and attached to the Australian seabed (proposed sub-section 6AB(1));
 - (ii) goods on such an installation at the time of its attachment to the seabed (proposed sub-section 6AB(1));
 - (iii) an installation that is brought from overseas into a place in Australia from which it is to be taken for attachment to the seabed (proposed sub-section 6AB(2));
 - (iv) goods on such an installation when it is brought into that place (proposed sub-section 6AB(2)); and

- (v) goods that are brought direct from overseas to an installation (proposed section 6AC);
- (d) deem to be exported from Australia -
 - (i) an installation that is detached from the seabed to be taken directly overseas (proposed sub-section 6AD(1));
 - (ii) goods on such an installation at the time of its detachment (proposed sub-section 6AD(1));
 - (iii) goods taken from an installation to be taken to a place overseas (proposed section 6AE); and
- (e) provide that an installation that is taken from a place in Australia into Australian waters for attachment to the Australian seabed and goods that are on such an installation when it is so taken is deemed not to be exported (proposed sub-section 6AD(2));