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PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CUSTOMS TARIFF BILL 1987

EXPLANATORY MEMORANDUM

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

CUSTOMS TARIFF BILL 1987

OUTLINE

This Bill proposes the introduction of a new Customs Tariff based on a modernised nomenclature for the classification of goods in international trade, known as the Harmonized Commodity Description and Coding System (HS).

The System has been developed by the Customs Co-operation Council (CCC) to replace its existing nomenclature which is the basis for the current Customs Tariff (Customs Tariff Act 1982). A new International convention for the HS is programmed to come into operation on 1 January 1988 with all major trading nations participating.

The main objectives of the HS Convention are to -

- . provide international uniformity in the classification of goods in Customs tariffs;
- . make it easier to collect, analyse and compare world trade statistics (both import and export statistics);
- . provide a common international system for coding, describing and classifying goods for commercial purposes, (for example, freight tariffs, transport requirements);
- . to update the CCC Nomenclature to take account of technological development and changes in international trade.

The Bill comprises 29 clauses and 6 Schedules.

Although it is based on the Customs Tariff Act 1982, many clauses have been redrafted or relocated in accordance with the Government's desire to simplify Australian legislation.

The 6 Schedules forming the basic structure of the proposed new Tariff are:

Schedule 1

Classes of countries and places in relation to which special rates of duty apply. This Schedule lists those countries and places which for the purposes of the Bill, are Forum Island Countries or Developing Countries.

Schedule 2

General Rules for the Interpretation of the Harmonized System. These internationally applicable rules are used to determine the classification of goods in the Nomenclature.

Schedule 3

Classification of goods and General and Special rates of duty. This is the principal schedule for the purposes of determining the classification and rate of duty applicable to imported goods. Although the systematic structure follows the same pattern as that of the current Tariff Schedule 3, there are extensive changes to reflect the more detailed and updated Harmonized System.

The Schedule is divided into 97 chapters compared with 99 in the Customs Tariff Act 1982. The number of mandatory international references under the HS is increased to 5019 from the current requirement of 1009. However, fragmentation for national duty purposes has been kept to a minimum in the HS Tariff. Of the 5019 mandatory sub-divisions only 491 have been split for national duty purposes.

Rates of duty within Schedule 3 have been set following appropriate inquiry and report by the Industries Assistance Commission. Some rate changes in respect of particular commodities can be expected. However, changes in levels of assistance to Australian industry as a whole will be minimal.

Schedule 4

Concessional rates of duty. This Schedule provides concessional rates of duty for prescribed goods, prescribed classes of goods or for goods imported by prescribed persons or authorities (for example, goods imported by the Governor-General).

Schedule 5

Duties applicable to goods the subject of Tariff Quota restrictions. This new provision is necessary to avoid unacceptable fragmentation and complexity of the main duty Schedule (Schedule 3). Administration and user application will be simpler under the new system.

Schedule 6

Repealed Acts provision.

FINANCIAL IMPACT

The likely financial impact of the proposed new tariff is difficult to assess. However, the IAC indicated that their Option 2 proposals would result in a slight increase in the average General import weighted Tariff rate of 0.7 of a percentage point. This increase would be marginally less with the modification to that Option proposed by the Government. Administrative costs involved in implementing the new system, will be mainly once only printing and dissemination cost of \$0.9M. There will, of course, be initial costs to the community at large in converting to the new system but these are expected to be minimal.

CUSTOMS TARIFF BILL 1987

DETAILED DESCRIPTION OF THE BILL

A Bill for an Act relating to duties of Customs.

PART I - PRELIMINARY

Short Title

Clause 1 is a formal machinery clause.

Commencement

Clause 2 provides for the Act to come into force on a day to be fixed by proclamation. Introduction is scheduled for 1 January 1988 however this is dependent on the International Convention on the Harmonized Commodity Description and Coding System coming into force on that day.

General Administration of the Act

Clause 3 This clause is similar to section 2A of the Customs Tariff Act 1982.

It provides for the Comptroller-General of Customs (the Comptroller) to have the general administration of the Act. This has particular relevance to paragraph (b) of the definition of a "law of customs or excise" in section 3 of the Customs Administration Act 1985. Under that definition a "law of customs or excise" includes any Act of which the Comptroller-General has the general administration. Section 14 of that Act provides that the Comptroller-General may delegate his powers (except the power of delegation) or functions under a law of customs or excise.

Incorporation of Customs Act

Clause 4 This clause is similar to section 4 of the Customs Tariff Act 1982 and provides that the Customs Act 1901 is incorporated and shall be read as one with this Act.

This provision is required as, under the Constitution, a Customs Tariff Act may deal only with the imposition of duties. Administrative matters relating to the collection of duties (for example the valuation of goods for the purpose of levying duty) are therefore dealt with under the Customs Act 1901.

Interpretation

Clause 5 This clause is similar to section 4 of the Customs Tariff Act 1982 and defines a number of words and phrases for the purposes of the legislation. However, in accordance with current drafting practice, terms which require definition are now consolidated in this one clause to the Bill.

Some of the more important definitions are:

- . "Convention" is defined as the International Convention on the Harmonized Commodity Description and Coding System done at Brussels on 14 June 1983. It is this Convention that establishes the Harmonized System Nomenclature upon which Schedule 3 (the principal schedule) of this Bill is based.
- . "General rate" is defined as "a rate of duty, other than a rate that applies in relation to a Preference Country under section 19". It is therefore the rate that applies to all goods other than those the produce or manufacture of a Preference Country (subclause 22(a) refers). Clause 19 provides that a rate of duty applies in relation to a Preference Country if the appropriate abbreviation is specified in relation to the rate. Clause 22 provides that, subject to clauses 23, 24, 25, 27 and 29, if no rate that applies in relation to a Preference Country is set out in the third column of the tariff classification under which the goods are classified, goods the produce or manufacture of that Preference Country are free of duty unless that Preference Country is Canada. In these circumstances goods the produce or manufacture of Canada are dutiable at the general rate.

"Interpretation Rules" is defined as the rules provided for by the Convention for interpreting the Harmonized System Nomenclature. These rules must be applied to the national legislation of all signatories to the Convention so that internationally uniform tariff classification decisions will be made. The text of the rules is set in Schedule 2.

"Preference Country" is defined to mean New Zealand, Papua New Guinea, a Forum Island Country, a Developing Country or a place treated as a Developing Country or Canada. Imports from these countries or places receive preferential treatment under certain circumstances (clause 22 refers).

Headings in Schedule 3

Clause 6 This clause is similar to section 16 of the Customs Tariff Act 1982 and provides for the hierarchical structure of Schedule 3. It defines headings as having either 4 digits in the first column or 8 digits in the first column not opposite to a dash or dashes in the second column. It specifies that headings can be subdivided into subheadings and that these subheadings can themselves be further subdivided. It further defines subheadings as having 5, 6, 7 or 8 digits in the first column opposite to a dash or dashes in the second column. It also provides that headings and subheadings may be referred to by the word "heading" or "subheading" followed by the digits with which the heading or subheading begins.

A hierarchical structure is necessary in Schedule 3 as the Interpretation Rules (Schedule 2) require that in classifying goods, headings be compared with other headings and not with subheadings, and that a subheading of a heading can only be compared with other subheadings of that heading at the same level (i.e. with the same number of dashes in the second column).

Items in Schedule 4

Clause 7 This clause is similar to clause 6 of the Bill and provides for the structure of the concessional schedule, Schedule 4. However, unlike Schedule 3, there is no hierarchical structure to the items of Schedule 4. An item in Schedule 4 applies to goods if the goods are described in the second column of that item (clause 11 refers).

Items in Schedule 5

Clause 8 This clause is also similar to clause 6 of the Bill and establishes the structure of Schedule 5, the schedule that provides duty rates for goods subject to quota provisions. As with Schedule 3 there is a hierarchical structure to Schedule 5 with items beginning with a number in the first column and subitems beginning with a number and letter in the first column. An item of Schedule 5 will apply to goods only if the goods are described in the second column of that item. A subitem of an item will apply to goods only if the item applies to the goods and the goods are described in the second column of that subitem (clause 12 refers). It will only be necessary to refer to Schedule 5 if the quota sign "Sch.5" appears in the third column (the duty rate column) of the classification under which the goods are classified in Schedule 3 (clause 23 refers). Clause 8 also provides that an item or subitem of Schedule 5 may be referred to by the word "item" or "subitem" followed by the number, or number and letter, with which the item or subitem begins.

Tariff Classification

Clause 9 This clause is similar to subsection 4(2) of the Customs Tariff Act 1982 and defines the term "tariff classification" for the purposes of the Bill. It is linked to clause 10 which requires that the Interpretation Rules shall be used for ascertaining the tariff classification of goods. The Interpretation Rules are set out in Schedule 2 to this Bill. These rules govern determination of the heading of Schedule 3 that applies to goods, and if that heading is subdivided into subheadings, the subheading of that heading that applies to the goods. This clause provides that the tariff classification under which those goods are classified is that heading or subheading which, by application of the Interpretation Rules, applies to the goods and which contains in its third column a rate of duty or the quota sign.

Definition of "the tariff classification under which goods are classified" is necessary as rates of duty are levied on goods according to that classification (clause 22 refers).

Rules for classifying goods under Schedule 3

Clause 10 This clause is similar to section 17 of the Customs Tariff Act 1982. It provides for:

- . the application of the Interpretation Rules in classifying goods;
- . subheadings containing the term "NSA" to not include goods prima facie classified under preceding subheadings of the heading which have the same number of dashes.

The Interpretation Rules are set out in Schedule 2. These rules are an integral part of the Harmonized System Convention and have been drafted so that their application will ensure internationally consistent tariff classification of goods in the Harmonized System Nomenclature. National administrations are required to apply the rules and the Customs Co-Operation Council has provided administrations with Explanatory Notes to assist in this regard. The Explanatory Notes provide explanations and examples of the intended coverage of headings and subheadings of the Nomenclature and are therefore to be used as a guide in the classification of goods.

Application of Schedule 4

Clause 11 This clause is similar to section 27 of the Customs Tariff Act 1982 and provides for the application of items in the concessional schedule, Schedule 4. Unlike Schedules 3 and 5, there is no hierarchy to Schedule 4. An item of Schedule 4 applies to goods if the goods are described in the second column of that item. Subclause (2) provides that, where goods satisfy the provisions of two or more such items, the item that applies is:

- . the item under which the least amount of duty is payable, or if the amount of duty that would be payable under each item is equal, the last occurring of the items under consideration.

Recourse may only be had to Schedule 4 if an item of Schedule 4 applies to the goods and the amount of duty payable under that item is less than the duty that would be payable under Schedule 3 or, if applicable, Schedule 5 (clause 25 refers).

Subclause (3) is definitional in nature and provides that the requirements of Part XVA of the Customs Act 1901 will apply to Schedule 4 for the purposes of determining whether-

- . goods shall be taken to serve similar functions to other goods;
- . goods shall not be taken to have been produced in Australia; and
- . a person shall be taken to be capable of producing goods in the normal course of business.

Items 14 and 22 respectively of Schedule 4 to this Bill provide for goods for use in a research programme at certain tertiary institutions or for use in connection with petroleum exploration to be entered duty free provided that goods that serve similar functions are not produced in Australia or are not capable of being produced in Australia by any person in the normal course of business (the requirements of Part XVA of the Customs Act 1901).

Subclause (3) of this clause ensures that the requirements governing Tariff Concession Orders also apply to items 14 and 22 of Schedule 4.

Application of Schedule 5

Clause 12 This clause provides for the application of all items and subitems in Schedule 5. It also provides in relation to the schedule:

- that the application of the notes to the schedule;
- that any word or phrase used in the schedule has, unless the contrary intention appears the same meaning as it would have if it appeared in the relevant part of Schedule 3;
- that subitems containing the term "NSA" do not include goods to which a preceding subitem of the item applies.

Rates of duty - ad valorem duties

Clause 13 This clause is similar to section 11 of the Customs Tariff Act 1982 and provides that, unless the contrary intention appears, a reference to a percentage in relation to goods or in relation to a part, component or ingredient of goods, is a reference to that percentage of the value of the goods, or of that part, component or ingredient of the goods, as the case may be.

Subclause (2) provides that the value of goods is, unless the contrary intention appears, the Customs value determined in accordance with Division 2 of Part VIII of the Customs Act 1901. In general terms, the Customs value of goods is the transaction value of the goods (section 157 of the Customs Act 1901 refers). The transaction value of goods is determined pursuant to section 159 of that Act.

Subclause (3) provides that the value of a part, component or ingredient of any goods is, unless the contrary intention appears, such proportion of the value as the Comptroller directs. This subclause is a revenue protection measure. Clause 24 provides that different rates of duty may be applied to various constituents of goods. Subclause (3) of clause 13 ensures that in such situations duty cannot be avoided by undervaluing a part, component or ingredient of goods in relation to other parts, components or ingredients of those goods by giving to the Comptroller the power to apportion values to parts, components or ingredients of goods.

Rates of Duty - certain words etc. deemed rates

Clause 14 This clause is similar to section 12 of the Customs Tariff Act 1982 and provides that words or words and figures (including the word "Free") which enable duty to be ascertained are deemed to be rates of duty unless the contrary intention appears.

This clause is required as clauses 22, 23 and 25 provide that the amount of duty payable shall be ascertained by reference to the rates of duty.

Rates of duty - Alternative rates

Clause 15 This clause is similar to subsection 4(5) of the Customs Tariff Act 1982. It provides for the application of alternative rates, one of which is to apply if the amount of duty determined is less, or is greater, than the other as the case may be.

Rates of Duty - phasing rates

Clause 16 The concept of this clause is similar to section 13 of the Customs Tariff Act 1982. It provides that where a duty rate or a number of duty rates are set out in the third column adjacent to the word "From" and a date in the second column, those duty rates will only be operative from the date specified adjacent to them. Those rates become inoperative on the next earliest date following the word "From" set out adjacent to another duty rate or other duty rates. Only one set of duty rates may be operative at any one time. Duty rates specified to operate from some future date and duty rates whose operation has expired by the effluxion of time cannot be used for duty calculation purposes.

Classes of countries and places in relation to which special rates apply

Clause 17 This clause is similar to section 14 of the Customs Tariff Act 1982. It provides that -

- (a) a country specified in column 1 of Part I of Schedule 1 is a Forum Island Country;
- (b) a country specified in column 1 of Division 1 of Part II of Schedule 1 is a Developing Country; and
- (c) a place specified in column 1 of Division 2 of Part II of Schedule 1 shall be treated as a Developing Country.

Schedule 1 thus lists Forum Island Countries, Developing Countries and places that are to be treated as Developing Countries. It also lists the abbreviations for those countries (required by clause 19).

Goods the produce or manufacture of a country

Clause 18 This clause provides that, for the purposes of the Bill, goods are to be treated as the produce or manufacture of a country or place if and only if they meet the relevant criteria set out in section 151 of the Customs Act 1901.

This clause is necessary as Australia provides certain imports from New Zealand, Papua New Guinea, Forum Island Countries, Developing Countries and Canada with margins of preference (i.e., lower duty rates) over those same imports from other countries. The rules of origin contained in section 151 of the Customs Act 1901 prescribe, inter alia, the proportion of the factory or works cost represented by the value of labour and materials of goods that must be attributable to a particular country for the goods to be considered the manufacture of that country.

Application of rates of duty

Clause 19 This clause is similar to subsection 15(1) of the Customs Tariff Act 1982. It provides that a rate of duty will apply in relation to New Zealand, Papua New Guinea, a Forum Island Country, a Developing Country or Canada if the appropriate abbreviation is specified in relation to that rate.

Subclause (2) provides for particular countries to be excluded from the special rates of duty that would otherwise apply to all goods of a particular classification when the produce or manufacture of Forum Island Countries or Developing Countries. Goods of that classification when the produce or manufacture of an excluded country are dutiable at Free unless another rate is specified in relation to that country in the third column (subclause 19(1)(e) refers).

Application of Quota sign

Clause 20 This clause is similar to clause 19 of this Bill and provides for the application of special quota provisions to particular countries and groups of countries when the quota sign "Sch 5" is specified in relation to that country or group of countries. Specification of the quota sign in relation to a country in a classification of Schedule 3 indicates that rates of duty for goods of that classification when the produce or manufacture of that country will be found in Schedule 5 (subclause 23(2) refers). Subclause (2) provides that the quota sign specified in relation to Forum Island Countries or Developing Countries does not apply in relation to a particular Forum Island Country or Developing Country if the letters "FI" or "DC" are followed by a phrase that begins with the word "except" and contains its name or the abbreviation for it. Goods the produce or manufacture of that particular country are dutiable at the rate specified for them under their classification in Schedule 3, or, if no such rate is specified, they are free of duty.

PART II - DUTIES OF CUSTOMS

Imposition of duties

Clause 21 This clause is similar to section 18 of the Customs Tariff Act 1982. It provides that duties of Customs are imposed, in accordance with this Bill, on:

- (a) goods imported into Australia on or after the commencement day; and
- (b) goods:
 - (i) imported into Australia before the commencement day; and
 - (ii) entered, or again entered, for home consumption on or after the commencement day.

The purpose of this clause is to establish that duties of Customs are imposed on goods entered for home consumption on or after the commencement day in accordance with the provisions of this Bill.

Rates of duty

Clause 22 This clause is similar to sections 19 and 20 of the Customs Tariff Act 1982 and specifies the procedure for ascertaining the duty payable in respect of goods dutiable under Schedule 3.

It provides that, subject to clauses 23, 24, 25, 27 and 29 -

- the general rate applies to all goods the produce or manufacture of a country that is not a Preference Country (subclause 22(a));
- the general rate applies to goods the produce or manufacture of Canada unless a rate of duty is specified in relation to Canada in the third column (subclause 22(c));
- goods the produce or manufacture of a Preference Country other than Canada will be free of duty unless a rate of duty is specified in relation to that Preference Country in the third column (subclause 22(b)).

Quota rates of duty

Clause 23 This clause is similar to clause 22 of this Bill and specifies, subject to clauses 24, 25, 27 and 29, the procedure for ascertaining the duty payable in respect of goods to which an item in Schedule 5 applies.

It provides in particular that where the quota sign "Sch.5" is set out in the third column of the tariff classification of goods in Schedule 3 and the sign applies to those goods when the produce or manufacture of all countries, the duty in respect of those goods shall be ascertained by reference to Schedule 5 as follows -

- . the general rate applies to all goods the produce or manufacture of a country that is not a Preference Country (subclause 23(a));
- . the general rate applies to goods the produce or manufacture of Canada unless a rate of duty is specified in relation to Canada in the third column (subclause 23(c));
- . goods the produce or manufacture of a Preference Country other than Canada will be free of duty unless a rate of duty is specified in relation to that Preference Country in the third column (subclause 23(b)).

Subclause (2) provides that where the quota sign is set out in the third column of a tariff classification in Schedule 3 in such a way that it applies only in relation to goods the produce or manufacture of a Preference Country, the duty in respect of those goods shall be ascertained by reference to the rate that applies in relation to that Preference Country that is set out in the third column in the subitem of Schedule 5 that applies to the goods. It follows from this and clause 22 that the duty in respect of goods to which the quota sign does not apply shall be ascertained by reference to the appropriate rate set out in their classification in Schedule 3.

Rates for goods with constituents etc.

Clause 24 This clause is similar to section 24 of the Customs Tariff Act 1982. It provides that, subject to clauses 25, 27 and 29, where a tariff classification in Schedule 3 contains phrases that describe goods and which begin with the words "In respect of", the duty in respect of the whole goods is the sum of the duty payable on each of the constituents described after the words "In respect of".

Subclause (2) provides that the words "In respect of the remainder" describe all goods of the classification within which it appears other than goods to which another phrase beginning with "In respect of" refers.

Subclause (3) provides that where goods are described after the words "In respect of", the duty applicable to those goods ascertained in accordance with clauses 22 and 23 shall be ascertained as if:

- (a) the tariff classification of the whole goods were the tariff classification that contains the phrase beginning with the words "In respect of"; and
- (b) the duty rate, duty rates, quota sign or quota signs, specified in the third column of that tariff classification in relation to the goods to which that phrase relates were the only rate, rates, quota sign or quota signs set out in that classification.

Subclause (3) requires that duty shall be ascertained in relation to goods described following the words "In respect of" as if the tariff classification under which the whole goods are classified were the tariff classification of the goods described following those words. It further requires that duty shall be ascertained in relation to goods described following those words as if the rate of duty (or rates of duty, the quota sign or quota signs) set out adjacent to that description were the only rate of duty (or rates of duty, quota sign or quota signs) set out in the classification of the whole goods.

Concessional rates of duty

Clause 25 This clause is similar to section 27 of the Customs Tariff Act 1982. It provides that, subject to clauses 27 and 29, where an item in Schedule 4 applies to goods and the amount of duty applicable to the goods under that item is less than the amount of duty that would be applicable by virtue of clauses 22, 23 and 24, then the duty payable is the amount payable under that item of Schedule 4.

Subclause (2) provides that the duty in respect of goods to which an item of Schedule 4 applies shall be ascertained as follows -

- . the general rate applies to all goods the produce or manufacture of a country that is not a Preference Country (subclause 25(2)(a));
- . the general rate applies to goods the produce or manufacture of Canada unless a rate of duty is specified in relation to Canada in the third column (subclause 25(2)(c));
- . goods the produce or manufacture of a Preference Country other than Canada will be free of duty unless a rate of duty is specified in relation to that Preference Country in the third column (subclause 25(2)(b)).

Schedule 4 makes provision for duty free entry of goods that are owned by, or are for the official use of, for example, the Commonwealth, the Governor-General or a Governor of a State.

It also provides for duty free entry to, for example, goods for use in a scientific research programme at a university or other tertiary education institution, and to certain personal effects of passengers arriving in Australia. Item 50 provides that a duty rate of 2% will be applicable to goods that a Commercial Tariff Concession Order declares are goods to which that item applies. The issue of such Commercial Tariff Concession Orders is governed by Part XVA of the Customs Act 1901. In general, that Part authorises the issue of such an Order for goods if goods serving similar functions to those goods are not produced in Australia and are not capable of being produced in Australia in the normal course of business.

Indexation of rates of duty

Clause 26 This clause is similar to section 26A of the Customs Tariff Act 1982. It provides for the automatic indexation of rates of duty applicable to certain alcohol, tobacco and petroleum products based on movements of the Consumer Price Index. The primary indexation mechanism is contained within section 6A of the Excise Tariff Act 1921. This clause requires that movements in Excise duty rates caused by the operation of section 6A of the Excise Tariff Act 1921 be mirrored by a similar movement in the appropriate excise component of Customs duty rates.

Subclause (4) requires that the Comptroller publish for the information of the public a notice in the Gazette advertising the new rates and the goods to which they apply either on, or as soon as practicable after, the day the rates are changed.

Duty on certain containers and their contents

Clause 27 This clause is similar to section 31 of the Customs Tariff Act 1982. It provides that if goods consist of a container and contents which, if manufactured in Australia, would be subject to Excise duty and under the Interpretation Rules the container and contents would be classified under the classification appropriate to the container as if imported separately, then the duty payable on the goods is the duty that would be payable if the container and contents had been imported separately.

This clause is a revenue protection measure. Because of the decorative nature of certain containers, application of the Interpretation Rules might lead to the classification of such containers imported containing, for example, spirits in the classification appropriate to the container. In the absence of this provision, such a classification would result in the Excise equivalent duty that would otherwise be payable on the spirits not being paid.

PART III - MISCELLANEOUS

Repeal

Clause 28 This clause is similar to section 32 of the Customs Tariff Act 1982 and provides for the repeal of that Act and subsequent amending Acts. Subclause (2) provides that notwithstanding that goods were imported into Australia before the commencement day, duties of Customs are not payable in respect of those goods under an Act repealed by this Bill if duties of Customs are imposed on those goods by clause 21 of this Bill. This subclause ensures that Customs duty will not be levied twice on goods.

Subclause (3) provides that the Acts repealed by subclause (1) as in force immediately before the commencement day shall be deemed to have been amended in accordance with Customs Tariff Proposals introduced into the House of Representatives in 1987. While Parliament is sitting it is usual practice to vary the duty rates applicable to goods by using the device of Customs Tariff Proposals introduced into the House of Representatives. Customs Tariff Proposals do not amend the Customs Tariff Act but rather enable the collection of the revised duties until an amendment to the Customs Tariff Act is made (or for a maximum period of 12 months). By convention Customs Tariff Proposals are not normally debated on introduction, debate being adjourned until the Proposals are incorporated into a Customs Tariff Amendment Bill.

If this Bill comes into operation on 1 January 1988 as expected, any proposals introduced into the Parliament between the last Customs Tariff Amendment Bill of 1987 and the commencement day of this Bill will not have been enacted before the Customs Tariff Act 1982 is repealed. To enact those Proposals in the normal manner would require passage by the Parliament of a Bill to amend a repealed Act. Subclause (3) removes this necessity by deeming such proposals to have been enacted.

To protect the Parliament's right to debate and determine the fate of legislation put before it, subclause (4) provides that if before 1 April 1988 either House of Parliament, in pursuance of a motion upon notice, passes a resolution that subclause (3) is not to apply to Customs Tariff Proposals introduced into the House of Representatives in 1987 and specified in the resolution, that subclause does not apply to the Proposals so specified. This subclause thus provides a mechanism by which either House of Parliament may determine that Customs Tariff proposals not enacted on the commencement day of this Bill will not be deemed to be enacted.

Transitional

Clause 29 This clause provides for the application of duty under the Customs Tariff Act 1982 to certain goods entered both before and after the commencement day of this legislation.

It ensures that there can be no conflict between this legislation and the Customs Act 1901 by providing that where goods are entered for home consumption both before and after the commencement day, the duty payable on the goods is the duty that would have been payable when the goods were first entered for home consumption.

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