

1988

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

INDUSTRIES ASSISTANCE COMMISSION
AMENDMENT BILL 1988

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Treasurer,
the Hon P.J. Keating, MP)

INDUSTRIES ASSISTANCE COMMISSION AMENDMENT BILL 1988GENERAL OUTLINE

The purpose of the Bill is to amend the Industries Assistance Commission Act 1973 to empower a Minister, with the agreement in writing of the Minister responsible for the IAC Act (ie the Treasurer), to make minor amendments to the Customs Tariff Act 1987 in five specified circumstances and without the delay of, or costs involved in, a public inquiry and report by the IAC. Some flexibility in this area is desirable in the interests of the efficient administration of industry assistance and to ensure that assistance remains effective in changing circumstances in accordance with the Government's previous decisions.

2. The five circumstances are:

- to correct anomalies, errors or ambiguities in the Customs Tariff Act 1987;
- to correct an error in the implementation of a Government decision on an IAC report;
- to keep tariff classifications in line with the Customs Co-operation Council Nomenclature;
- to maintain the level of assistance previously applying where a decision by a tribunal or a court on a tariff classification has had the effect of altering industry assistance; or
- to vary details of industry assistance arrangements which were adopted by a Government decision following receipt of an IAC report and where the variations are in accordance with the Government decision.

3. The amendments are intended to allow minor changes to industry assistance arrangements to be effected by way of Customs Tariff Proposal or Gazette Notice of Intention to Propose a Customs Tariff Alteration. The terms of the proposed amendments specifically constrain a Minister to act in accordance with a prior Government decision on an IAC report and set out the circumstances in which a Minister's discretion would apply.

4. The proposed requirement to obtain the Treasurer's written approval before any such change is effected is to provide a transparent safeguard against the erosion of the role of the IAC.

FINANCIAL IMPACT STATEMENT

5. The proposals put forward in the Bill are expected to have only a minor financial impact for the following reasons.

6. The Bill does not involve any additional staff or resources for the Industries Assistance Commission or the Australian Customs Service which is responsible for implementing changes to the Customs Tariff Act.

7. Present practice is to introduce a Customs Tariff Bill into Parliament to give effect to the proposed changes in the Bill. This is a time-consuming process and delays the collection of duties. The financial impact of the Bill would result from more timely changes to the rates of duty which may flow from the proposed amendments, but it is expected that any such changes would be minor.

ABBREVIATIONS

8. The following abbreviations are used in this Explanatory Memorandum:

Act: Industries Assistance Commission Act 1973 as amended prior to any amendments effected by this Industries Assistance Commission Amendment Bill 1988.

Bill: Industries Assistance Commission Bill 1988

Commission: Industries Assistance Commission

IAC: Industries Assistance Commission

NOTES ON INDIVIDUAL CLAUSES

Part I Preliminary

Sub-clause 1(1) : Short title

Sub-clause 1(2) : Principal Act

Commencement :

9. Since there is no commencement provision, the Act will come into operation twenty-eight days after the Act receives Royal Assent.

Part II AMENDMENTS TO THE INDUSTRIES ASSISTANCE COMMISSION ACT 1973

Clause 2 : Reference of matters to the Commission

10. Sub-clause 2(a) of the Bill amends S.23(3) of the Act by qualifying the restriction on action open to a Minister by providing for new S.23(AA) and 23(AB).

11. Sub-clause 2(b) of the Bill inserts new S.23(AA), 23(AB) and 23(AC) to specify four of the five circumstances in which a Minister, with the written approval of the Minister (responsible for the Act, being the Treasurer), may take action to make minor amendments to the Customs Tariff Act 1987 by means of a Customs Tariff Proposal or Gazette Notice of Intention to Propose a Customs Tariff Alteration without the need for an IAC report. The occurrence of these circumstances has in the past had the effect of altering the Government's decisions on rates of assistance to particular industries or groups of industries and the insertion of these new sections in the Act is to allow the effect of the original Government decisions to be reinstated without undue delay or cost.

12. Sub-clause 2(c) of the Bill clarifies S.23(3)(a)(i) to put beyond doubt that multilateral trade agreements, which already give rise to an exception to the scope of S.23(3), include the International Convention on the Harmonized Commodity Description and Coding System established under the Customs Co-operation Council. This covers the fifth of the proposed circumstances in which a Minister may take action to amend the Customs Tariff Act 1987 without the need for an IAC report.