Date introduced: 30 April 1986
House: House of Representatives
Presented by: Hon. Barry Jones, M.P.,
Minister for Science

DIGEST OF BILL

Purpose

To enact the changes to the Customs Tariff Act 1982 (Principal Act) proposed in Customs Tariff Proposals Numbers 10 to 14 of 1985 and 1 and 2 of 1986, and to implement Government decisions in respect of preferences given to developing countries, and to introduce other amendments.

Background

To avoid the need to introduce legislation for each change in tariff rates, and to allow tariffs to be altered when Parliament is not sitting, the rates may be altered by giving notice. When Parliament is sitting, notice of tariff changes is by means of Customs Tariff Proposals introduced into the House of Representatives. When Parliament is not sitting, notice of tariff changes is by publication in the Commonwealth Gazette. Gazette notifications are subsequently introduced into the House of Representatives as Customs Tariff Proposals. Tariff proposals are enacted by means of legislation which alters the Customs Tariff Act.

The Government's decision to alter tariff preferences for developing countries follows its consideration of a Industry Assistance Commission report on Tableware and Other Ceramic Goods.

Outline

The Bill is divided into 10 schedules. Each of the schedules in the Bill contain amendments to the Principal Act which commence on a different date.
Main Provisions

For a detailed analysis of the clauses of the Bill refer to the explanatory memorandum.

Ship parts were subject to 2 per cent duty imposed by a customs by-law but were subsequently given duty free status. The custom by-laws were terminated on 1 July 1985 removing the ship parts eligibility to the duty free concession. Clause 3 will amend Schedule 4 of the Principal Act to reimpose the duty in order that the parts may once again be duty free and the amendment will be effective from 1 July 1985 (sub-clause 2(2)).

Carpets from New Zealand can enter Australia free of duty if the wool content is 80 per cent. Clause 4 will amend schedule 5 of the Principal Act by reducing the wool content necessary for the duty free concession to 78 per cent. This amendment will have effect from 2 August 1985 (sub-clause 2(4)).

The 15 per cent general tariff on combine grain harvesters will be removed by clause 5 which will amend schedule 3 of the Principal Act. This change will operate from 21 August 1985 (sub-clause 2(5)).

Tariffs on most telecommunication products and components will be reduced from 30 per cent to 20 per cent over the period to 1989 by clause 6, which will amend schedules 3 and 5 of the Principal Act and this amendment will be effective from 11 October 1985 (sub-clause 2(6)).

Clause 7 will amend Schedule 4 of the Principal Act to allow the duty free admission of goods repaired overseas, or replaced under a specific warranty applicable to previously imported goods. This change will be operative from 22 November 1985 (sub-clause 2(7)).

The one 'year' period for the purposes of passenger vehicle quotas will be extended to run from the 1 December until 31 January. The change will be effective from 1 December 1985 (sub-clause 2(8)) (clause 8 which will amend Schedule 4 of the Principal Act).

Clause 9 will amend schedule 1 of the Principal Act to delete Portugal from the list of countries enjoying developing country preference. This clause will be effective from 1 January 1986 (sub-clause 2(9)).
Clause 11 will amend schedules 3, 4 and 5 of the Principal Act. The major changes, which will operate from 1 July 1986 (sub-clause 2(10)) will be:

- to provide for a reduction of 5 per cent on the tariff on imported goods from developing countries;
- to expand duty free access for Forum Island countries; and
- to withdraw duty free concessions for goods imported for the Governor-General's staff or a State Governor.

The definition of tractors of the 'track laying type' will be clarified by clause 12 which will amend schedule 3 of the Principal Act.

For further information, if required, contact the Economics and Commerce Group.

28 May 1986

Bills Digest Service
LEGISLATIVE RESEARCH SERVICE

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