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I N F O R M A T I O N A N D R E S E A R C H S E R V I C E S

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Customs Tariff Amendment Bill (No. 2) 2002

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Customs Tariff Amendment Bill (No. 2) 2002

Date Introduced: 22 August 2002

House: House of Representatives

Portfolio: Justice and Customs

Commencement: The Bill has four commencement dates:

- Schedule 1, Part 1, that deals with the duty-free treatment of non-recyclable oils and lubricants, commences on 15 April 2002
- Schedule 1, Part 2, that deals with the national scheme for low alcohol beer, commences on 1 July 2002
- Sections 1 to 3, and anything in the Act not covered elsewhere in the table of commencement, commences on the day the Act receives the Royal Assent, and
- Schedule 1, Part 3, commences immediately after the commencement of Part 4 of Schedule 1 to the proposed *Excise Tariff Amendment Act (No. 1) 2002*.

Purposes

To give legislative effect to decisions to:

- implement a national scheme for low alcohol beer
- remove customs duty on certain non-recyclable oils and lubricants now subject to duty under the Product Stewardship (Oil) Scheme
- abolish the indexation of customs duty on Product Stewardship (Oil) Scheme petroleum-based oils and greases, and
- implement minor related changes to the Customs Tariff

by amending the [Customs Tariff Act 1995](#).

This Digest should be read in conjunction with the Digest for the Excise Tariff Amendment Bill (No. 1) 2002, which makes comparable changes to the *Excise Tariff Act 1921*.

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

Background and basis of policy commitment

Background to the national scheme for low alcohol beer, the Product Stewardship (Oil) Scheme, and the indexation of customs duty on petroleum-based oils and greases under the Product Stewardship (Oil) Scheme can be found in the Digest for the Excise Tariff Amendment Bill (No .1) 2002.

Main Provisions

Part 1 deals with the excise-free treatment of non-recyclable oils and lubricants having effect on and from 15 April 2001.

Schedule 4 of the *Customs Tariff Act 1995* deals with concessional rates of duty. Part III of Schedule 4 deals with 'other concessions for prescribed goods'. Item 50 of Part III in turn deals with 'goods that a Tariff Concession Order declares are goods to which this item applies, other than goods classified under heading 3819.00.00 of Schedule 3'. Item 50 also specifies the rates of duty on such items. **Item 4** substitutes a new item 50. The effect is that goods classified under heading 3819.00.00, which are goods that are exempt from the Product Stewardship Oil levy, will be subject to customs duty at the general rate of three per cent and various concessional rates.

Item 6 adds a new item 72A at the end of Part III of Schedule 4. The effect of this is that goods classified under headings 2710, 3403 or 3811 of Schedule 3 and exempt from the Product Stewardship Oil levy, enter duty-free if they are entered for home consumption on or after 15 April 2002. According to the Explanatory Memorandum, the exempt goods under item 72A include food grade white mineral oils and aromatic process oils. **Item 6** also adds item 72B. This relates to certain polyglycol brake fluids exempt from the Product Stewardship Oil levy. The effect of item 72B is to make the general tariff on such goods five per cent if they are entered for home consumption on or after 15 April 2002.

Part 2 deals with the national scheme for low alcohol beer having effect on and from 1 July 2001.

Items 7, 8 and 9 deal with different categories of beer and establish new rates of customs duty on these goods that are identical to the new rates of excise duty on comparable products under the Excise Tariff Amendment Bill (No. 1) 2002.

Part 3 deals with the exemption of petroleum-based oils and greases from indexation of customs duty rates to the consumer price index.

Section 19 of the *Customs Tariff Act 1995* deals with the indexation of rates of customs duty. It contains a table with two columns. The first column has the customs item numbers for different goods. The second column has the excise item numbers for the same goods, that is, the goods are 'paired'. **Item 11** repeals the table in subsection 19(1) and substitutes

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a new table. The new table omits the paired goods that are subject to the Product Stewardship Oil levy. Consequently, the customs duty on these goods will no longer be subject to indexation.

Concluding Comments

See the comments in the Bills Digest for the Excise Tariff Amendment Bill (No. 1) 2002.

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