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CUSTOMS TARIFF AMENDMENT BILL (No.2) 1979

Date Introduced:	24 May 1979
House:	House of Representatives
Presented by:	Hon. I. Macphee, representing the Minister for Business and Consumer Affairs

Short Digest of Bill

Purpose

To impose a 2% customs duty on most goods currently imported duty-free, to operate from 1 July 1979.

Background

The new duty is part of a package of revenue raising measures for 1979-80 announced by the Treasurer, Hon. J. Howard, in his Ministerial Statement of 24 May 1979.

Main Provisions

Clause 3 introduces a new section 17AA which provides generally that a rate of duty of 2% will apply to goods which would otherwise enter free of duty under sections 16 and 17 (general and preferential rates of duty respectively) of the Customs Tariff Act 1966. However this provision is subject to a number of exceptions.

New paragraph 17AA 1(a) provides that the 2% rate of duty will not apply to items set out in Part VII of Schedule 1 of the Bill, including crude and enriched petroleum (Items 24 and 25). New sub-section 17AA (3) provides also that it will not apply to goods receiving preferential rates of duty from:

(a) developing countries (s.16A);
(b) Papua New Guinea (s.17(2A)); and
(c) New Zealand,

and, as well, goods which are:

(a) subject to special rates of duty under GATT (s.17(3)); and

(b) under certain customs by-laws (s.33A and Schedule 2 to the Act).

Examples of such goods under by-law are outlined by the Minister in his second reading speech and include motor vehicle components, outside packages, re-imports and government purchases. However, Clause 5 provides that 2 items within Schedule 2 shall be subject to the 2% rate of duty, namely:

(a) goods prescribed by by-law of which a suitable equivalent is not reasonably available in Australia (Item 19); and

(b) vehicle component parts of the United Kingdom, the equivalent of which is not reasonably available in Australia (Item 25).

Clause 4 amends s.17A of the Act to ensure that, in addition to the preferential rates of duty that are not to be affected by the 2% rate of duty, the special preferential rates of duty applying to certain countries will be similarly protected.

Finance, Industries, Trade &
Development Group
LEGISLATIVE RESEARCH SERVICE

30 May 1979