CUSTOMS TARIFF AMENDMENT BILL 1984

Date Introduced: 28 March 1984
House: House of Representatives
Presented by: Hon. J.J. Brown, M.P., Minister Assisting the Minister for Industry Commerce

Short Digest of Bill

Purpose

To enact changes to the custom tariff proposed in Customs Tariff Proposals Numbers 15-19 of 1983 and 1-4 of 1984.

Background

Tariff changes may be effected without altering the customs tariff itself. The reason is that this avoids the need to introduce legislation every time the Government wants to change tariffs. When Parliament is sitting, notification of tariff changes is by means of Customs Tariff Proposals introduced into the House of Representatives. When Parliament is not sitting, notification of tariff changes is by means of 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 present Bill is designed to give effect to the Tariff Proposals referred to above by altering the Customs Tariff Act.

Some of the changes to the customs tariff follow from the Australia-New Zealand Closer Economic Relations (CER) Agreement which was signed on 28 March 1983 and applies from 1 January 1983. Articles 4 and 5 of the agreement make general provision for tariffs, tariff quotas and quantitative import restrictions. Certain types of goods have been particularly provided for in Article 6 and various Annexes to the Agreement. Goods covered in Annex C to the agreement include carpets, whitegoods and motor vehicles and components.
Schedule 1 to the Bill sets out changes, operative from 1 January 1983, which were tabled on 8 December 1983 as Tariff Proposals No. 16. In respect of the New Zealand Schedule, the changes implement the CER tariff reductions for certain whitegoods and parts and the first stage for electronic goods, and relax the wool content requirement for wool-rich carpet for one year. Additionally, the developing country rate for esters of acetic acid is reduced from 15 per cent to 10 per cent.

Schedule 2, operative from 1 March 1983, implements Tariff Proposals No.17 of 1983, tabled on 8 December 1983. The amendments are concessional and follow changes to the South Pacific Regional Trade and Economic Co-operation Agreement.

Schedule 3 operates from 21 October 1983 and enacts Tariff Proposals No.15 of 1983. Several changes to the item classification ensure continued consistency with the nomenclature of the international Customs Co-operation Council. Other amendments follow the Government's decision on the report of the Temporary Assistance Authority (TAA) concerning certain airconditioning machines. The TAA recommended continued bounty assistance. In addition, the Government indicated on 20 October 1983[1] that a tariff quota would apply as a temporary measure until 30 June 1984. The Schedule implements these changes.

Changes in Schedule 4, announced in Tariff Proposals No.18 of 1983, operate from 9 December 1983. Certain anomalies relating to the phased reductions under the CER Agreement with New Zealand, are corrected as is an interpretation provision relating to tractor bases.

Tariff Proposals Nos. 1 to 4 of 1984 were tabled in the House of Representatives on 1 March 1984.[2] Tariff Proposals No.1 apply from 21 December 1983 to correct the classification of alcoholic concentrated extracts into Angostura aromatic bitters and other products.

A great many changes to the tariff, announced on 8 December 1983 as Tariff Proposals No.19 of 1983, and set out in Schedule 6 to the Bill, operate from 1 January 1984. Principally, these changes implement a further stage in the phased duty reduction for goods of New Zealand origin in accordance with the CER Agreement. The 80 per cent wool content requirement suspended for 12 months from 1 January 1983 by other provisions in the Bill, is restored.

The tariff is amended following the Government's acceptance of the recommendations of the Textiles, Clothing and Footwear Advisory Committee in its report of May 1983.
The Committee focussed on the required adjustment to 1984 quotas to take account of prospects for market growth compared with 1981. The Committee noted that some sections of the textiles, clothing and footwear industries were seeking major changes, including rollbacks on quota levels and increased assistance for textile yarn and fabric production.[3] Schedule 6 of the Bill also implements the premium tender rates of duty for import quota allocations in respect of textiles, clothing and footwear imports during 1984.

Schedule 6 also implements exclusions of developing country preferences pursuant to the textiles, clothing and footwear sectoral policy. Quota provisions applying to steel imports from developing countries pursuant to the steel industry plan and following the Government's decision on the Industries Assistance Commission (IAC) report are implemented.[4]

Customs Tariff Proposals No.2, operative from 13 January 1984, are set out in Schedule 7. The IAC, in its report on lawnmowers, certain engines and parts, recommended that spark ignition engines having a power of 4.5 kW or less, parts commonly used in such engines, lawnmowers and lawnmower parts all be dutiable at 25 per cent, reducing to 20 per cent in the second year and 15 per cent thereafter. Other parts and other engines were recommended to be dutiable at minimum rates.[5] The Government has accepted the recommendation that the lawnmower rate remain at 25 per cent and that the duty on spark ignition engines with a power of 4.5 kW or less be reduced to 25 per cent from the present 35 per cent. The reduction will be alleviated by a 10 per cent bounty (see Bills Digest for Bounty (Two-stroke Engines) Bill 1984). The Tariff Proposals No.2 include several other minor changes.

Schedule 8 implements Customs Tariff Proposals No. 3 of 1984 as from 27 January 1984. The Government accepted the IAC's recommendations that the import of copper semi-fabrications remain dutiable at 10 per cent and that minimum rates of duty apply to imports of copper matte, unwrought copper, and copper scrap.[6]

Schedule 9 implements Customs Tariff Proposals No.4 as from 24 February 1984, following the Government's decision on the IAC report on fatty acids and certain aliphatic acids, their salts and esters, glycerol and tall oil.[7] As recommended, a general tariff rate of 10 per cent will apply to most of the goods under reference including refined glycerol. However, the Government has determined a 20 per cent general tariff for lead stabilizer lubricants and has left glycerol and glycerol lyes dutiable
at minimum rates, taking the view that the 10 per cent duty rate proposed by the IAC for these items would have no protective value and would impose a cost on Australian refined glycerol manufacture.

Main Provisions

Changes to the customs tariff are fully set out in the nine Schedules to the Bill, and are grouped according to date of commencement. The substantive clauses of the Bill, in clauses 3 to 11, amend the tariff with legislative effect from the respective commencement date.

For further information, if required, contact:

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References


7. Fatty Acids and Certain Aliphatic Acids, their Salts and Esters; Glycerol; Tall Oil, IAC Report No.323, 17 June 1983.