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Customs Tariff Amendment Bill (No. 2) 1976

Presented by the Minister for Business and Consumer Affairs, Hon. J. Howard,
House of Representatives, 4 November 1976

Brief Digest of Bill

Purpose

To amend the Customs Tariff Act 1966 for tariff changes made in Customs Tariff Proposals Nos. 7 to 22 (1976) since the passing of the Customs Tariff Amendment Act 1976 in May.

Relevant Information

The Bill contains seventeen schedules, 16 of which set out the changes to be made in individual tariff items in various Schedules of the Customs Tariff Act 1966. The changes are given retrospective legal effect to dates as early as 1 January 1976. Proposals Nos. 7 to 13 had been temporarily validated beyond the end of the Autumn session of Parliament by Customs Tariff Validation Act 1976.

In the main the changes give effect to decisions by the Government in respect of the following reports of the Industries Assistance Commission and the Temporary Assistance Authority:—

- Aerospace Industry;
- Aluminium and Articles Thereof, etc.;
- Cellulose Acetate Flake;
- Commercial Motor Vehicles, Parts and Accessories;
- Filament, Fluorescent and Other Discharge Lamps;
- Hosiery;
- Knitted and Woven Apparel;
- Motor Vehicles – Import Restriction;
- Other Electronic Equipment;
- Paints, Varnishes and Lacquers;
- Precision Ground Steel Ball Bearings;
- Railway and Tramway Locomotives, Rolling Stock, etc.;
- Spectacle and Sunglass Frames, Sunglasses;
- Superphosphate Production;
- Telecommunication Equipment;
- Welding Consumables and Flux Cored Solder;
- Orange Juice;

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Paper;
Sheets and Plates of Iron and Steel; and
Thick Plywood.

The last four reports named were those made by the Temporary Assistance Authority.

The Bill also contains changes resulting from the biennial review of the system of tariff preferences for developing countries. In most cases rates of duty on goods qualifying for tariff preference have been reduced. However, certain imports have been excluded from tariff preference where imports from developing country suppliers are causing or threatening injury to local industry. (clauses 3–5).

The Minister has made available a summary of the tariff amendments which gives a comparison between the new and the old rates. On a superficial examination, there seem to be more increases than decreases. Some of the items shown require no change in duties but the specification of the item has to be redrafted to fit in with changes to related items.

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CUSTOMS TARIFF AMENDMENTS — LEGISLATIVE PROCESS

Changes in the tariff schedule are usually put into operation by administrative action, and later validated by legislation. The process is described in more detail below.

Tariff changes may be put into operation, when Parliament is sitting, by the introduction of a Customs Tariff Proposal in the House of Representatives. The House is technically free to debate the proposal but, by long standing practice, debate is usually adjourned and never resumed. If Parliament is not sitting, the changes may be put into operation by the publication in the Gazette of an intention to propose, which must be later introduced in the House of Representatives within seven days after it resumes.

The introduction of the Proposals does not change the tariffs in the Customs Tariff Act. However, under Section 226 of the Customs Act 1901, customs officers collecting the duties at the new rates proposed in Parliament are protected from legal proceedings until the end of either six months or the session of Parliament in which the proposal was made, whichever happens first.

Before this period expires, the changes have to be incorporated in legislation. In cases where the Government is unable to prepare in time the legislation to amend the Customs Tariff Act it may temporarily cover itself by having a Customs Tariff Validation Act passed. This is a machinery measure which takes over from section 226 pending the introduction of a Customs Tariff Amendment Bill which formally enacts the tariff proposals. For example, the Customs Tariff Validation Act 1976, introduced on 2 June and assented to on 9 June 1976, gave legal authorisation to customs duties collected up to 31 December 1976 under the various Proposals introduced on 8 & 29 April, 18 & 27 May and 1 June 1976.

There is usually no debate on the Validation Bills.

Validation Acts also have a limited life and ultimately the changes must be incorporated in amendments to the schedules to the Customs Tariff Act (formerly known simply as the Customs Tariff). Customs Tariff Amendment Bills are normally introduced once or twice a year, consolidating all the Proposals introduced since the previous Customs Tariff Amendment Bill.

The second reading of the Custom's Tariff Amendment Bill is normally the opportunity to debate the policy measures. However, since it sometimes comes more than a year after the actual changes were implemented and may include a number of widely different proposals, consideration of the individual measures is in practice often rather sketchy.*

* Some Members of Parliament have commented on the process for tariff amendments, for example, in the following speeches in Hansard for the House of Representatives: Hon. C.R. Kelly, 5 December 1973 (P. 4321–2), 4 June 1975 (P. 3361–2). Mr. M.J. Young, 29 April 1976 (P. 1784), 3 June 1976 (P. 2948–50).

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To assist the Parliament, the Minister now provides separately a summary of the tariff amendments which show a comparison between the new and old rates of duty.

Finance, Industries, Trade and Development

LEGISLATIVE RESEARCH SERVICE

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