



Reply to the Chief Executive Officer

Customs House
5 Constitution Avenue
Canberra ACT 2601

Quote: C00/05046

Ms Jill Irvine
Review of General Tariff Arrangements
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

**SUBMISSION ON THE COMMISSION'S DRAFT REPORT ON THE
REVIEW OF AUSTRALIA'S GENERAL TARIFF ARRANGEMENTS**

I wish to make the following comments on the above mentioned draft report.

First, the draft report states (at page 82) "The current annual cost of administering the TCS by Customs is estimated to be around \$2.5 million". The correct cost is \$2.25 million. The Director of the Tariff Concessions Section, Mr John Arndell, provided this figure, to Mr Bill Henderson of the Commission in an e-mail on 17 January 2000.

Secondly, the draft report states (at page 88):

Essentially, industry policy by-laws are intended to provide concessional tariff rates where this contributes to industry policy objectives. Each case is considered separately on its merits to take into account the effect on local producers of the by-law.

and (at page 96):

Given that applications for by-law must be made on a case-by-case basis, and are subject to a wider range of conditions, the costs of the process per application are likely to be higher than those associated with the TCS.

These statements incorrectly suggest that, before goods can be entered at a concessional rate of duty, an importer needs to lodge an application with Customs, and Customs needs to assess that application.

Most policy items in Schedule 4 to the *Customs Tariff Act 1995* allow for goods to be imported at a concessional rate of customs duty when those goods meet the terms of the item in Schedule 4 and, where applicable, the terms of the associated by-law.


Goods that meet the terms of a policy item may be imported without the importer needing to lodge an application.

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Generally speaking, an importer will need to lodge a submission with Customs only when the terms of the item are met but the terms of the relevant by-law(s) are not met. The submission would need to outline why concessional entry should be granted to the particular goods.

I apologise for the delay in providing this response.

Please contact either John Arndell, Director, Tariff Concessions, on telephone 6275 6383, or myself, on telephone 6275 6462, if there are any queries on this matter.


John Arndell

For Debbie Bates
National Manager
Tariff

12 July 2000