

EXPLANATORY STATEMENT

Customs By-law No. 1301117

Customs Act 1901

Section 271 of the *Customs Act 1901* (the Act) provides, in part, that where an item of a Customs Tariff is expressed to apply to goods, or to a class or kind of goods, as prescribed by by-law, the Chief Executive Officer of Customs may make by-laws for the purposes of that item. A Customs Tariff is defined in section 4 of the Act to mean an act imposing duties of customs. The *Customs Tariff Act 1995* (the Customs Tariff Act) is a Customs Tariff for the purposes of the Act.

Background

The *Customs Tariff Amendment (Schedule 4) Act 2012* will commence on 1 March 2013. It will repeal the existing Schedule 4 of the Customs Tariff Act and replace it with a new Schedule 4. As part of this process, new by-laws are required for all items that provide for goods to be prescribed by by-law.

Item 39 in new Schedule 4 combines items 41G and 41H of the previous Schedule 4 to the Customs Tariff Act. Item 39 provides that goods, as prescribed by by-law, that are for use in the testing, quality control, manufacturing evaluation, or engineering development of motor vehicles that are manufactured in Australia or that are being designed or engineered in Australia, are dutiable at the rate of “Free”.

By-law No. 1301117 replaces previous By-laws No. 0040030, 0040031, 0040032, 0040033, 0040034 and 0900069.

Instrument

By-law No. 1301117 prescribes, for the purposes of item 39, vehicles and components for use in the testing, quality control, manufacturing evaluation or engineering development of:

- a) motor vehicles manufactured by producers registered under the Automotive Transformation Scheme (within the meaning of the *Automotive Transformation Scheme Act 2009*); or
- b) original equipment components for inclusion in such motor vehicles.

By-law No. 1301117 also prescribes, for the purposes of item 39, vehicles and components for use in the testing, quality control, manufacturing evaluation or engineering development of:

- a) motor vehicles designed or engineered or in the process of being designed or engineered in Australia by motor vehicle producers registered under the Automotive Transformation Scheme; or
- b) components for inclusion in such motor vehicles.

The goods are to be re-exported, destroyed, or, disposed of in a manner approved in writing by the Collector, within a period of 12 months from the date of entry for home consumption, or within such further period as the Collector may allow.

A security must be lodged with the Australian Customs and Border Protection Service to ensure compliance.

Consultation

No consultation was undertaken in relation to By-law No. 1301117 as it does not alter existing arrangements.

Human Rights Implications

This by-law does not engage, impact on, or limit in any way, the human rights and freedoms recognised or declared in the international instruments listed in the definition of human rights at section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Commencement

By-law No. 1301117 takes effect on and from the date that the *Customs Tariff Amendment (Schedule 4) Act 2012* commences, that is 1 March 2013.