EXPLANATORY STATEMENT

**Customs By-law No. 1303602**

***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 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 32 in new Schedule 4 replaces item 40A of the previous Schedule 4 to the Customs Tariff Act. Item 32provides that textiles, clothing and footwear, as prescribed by by-law are dutiable at the rate of “Free”.

New By-law No. 1303602 replaces previous By-law No. 9840002.

**Instrument**

By-law No. 1303602 prescribes fabrics classified under headings 5210, 5211 or subheading 5212.2 in Schedule 3.

The fabric is subject to the following conditions:

1. the value must not exceed $2.67 per square metre;
2. the weight of the fabric must not exceed 510 grams per square metre; and
3. the fabric must be for use in the manufacture of surgical or adhesive plaster.

There are also additional specifications to which the fabric is subject, dependant on the fabric’s weight and classification.

**Consultation**

No consultation was undertaken in relation to By-law No. 1303602 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. 1303602 takes effect on and from the date that the *Customs Tariff Amendment (Schedule 4) Act 2012* commences, that is 1 March 2013.