

1993

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**CUSTOMS TARIFF (DEFICIT REDUCTION) BILL 1993**

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Changes to the Outline of the Explanatory Memorandum as a consequence of the amendments to the *Excise Tariff (Deficit Reduction) Bill 1993* to be moved on behalf of the Government.

(Circulated by the authority of the Minister for Industry, Technology and Regional Development, the Hon Alan Griffiths MP)



## CUSTOMS TARIFF (DEFICIT REDUCTION) BILL 1993

### **OUTLINE**

The proposed amendment in this Bill to section 26 of the *Customs Tariff Act 1987* will automatically link changes in the rate of customs duty to changes to the *Excise Tariff Act 1921* effected by the new section 6AAA as inserted by the Excise Tariff (Deficit Reduction) Bill 1993. Consequently, the amendments to the latter Bill will result in:

- (i) an increase in the rate of customs duty for tobacco and tobacco products in February and August 1994 and February and August 1995 from 3% to 5%; and
- (ii) limit the timing of the proposed increase in customs duty on petroleum products with a lead content exceeding 13 milligrams per litre. The proposed increase in February 1995 will be omitted and the increases will occur in February and August 1994 only.

### **FINANCIAL IMPACT STATEMENT**

As a result of the amendments, the increases in the duty on tobacco and tobacco products are expected to result in increased duty collections (including excise duty) of \$55 million in 1993/94 and \$175 million in 1994/95.

As a result of the amendments, the increases in duty of petroleum products are estimated to result in additional duty collections (including excise duty) of \$790 million in 1993/94 and \$1375 million for 1994/95.