

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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AUSTRALIA/NEW ZEALAND CLOSER ECONOMIC RELATIONS
- TRADE AGREEMENT (ANZCERT)

Questions and Replies

The contracting parties were invited (GATT/AIR/1904) to communicate to the secretariat any questions they might wish to put concerning the Australia/New Zealand Closer Economic Relations - Trade Agreement (ANZCERT).¹ In response to this request, a number of questions were received and were transmitted to the parties to the Agreement. The following replies to these questions have been received.

¹Copies of the text of the Agreement were sent to each contracting party with document L/5475/Add.1.

ANNEX

I. General Considerations

Question 1

Can the parties to the Agreement indicate on what concrete basis they consider that the Agreement will lead to "increased capacity to contribute to the development of the region through closer economic and trading links with other countries" as stated in the preamble, and what are the "closer economic and trading links with other countries" to be expected as a result of implementation of the Agreement?

Answer

It is expected that the sustained and mutually beneficial expansion of trans-Tasman trade that will result from liberalisation will lead to the more efficient use of each country's natural resources and productive capacities. The closer economic relationship between Australia and New Zealand will lead to stronger economic growth prospects for both countries. Central to the relationship is the recognition that the two countries are committed to an outward looking approach to trade. Development of the relationship will give both countries an increased capacity to contribute fully to the growth of world trade and to strengthen their own economies and those of their trading partners, especially in neighbouring countries.

Question 2

Paragraph 2 of the preamble says that the further development of this relationship will be served by the expansion of the trade as well as the strengthening and fostering of links and cooperation in such fields as investment, etc. Then, what relationship is there between this Agreement and the investment policy?

Answer

The investment policies of the two countries are not directly addressed by the Trade Agreement. It is accepted, however, that the two-way flow of investment is of significance to the effective operation of the Agreement. The issue of trans-Tasman

investment is already a live one, as the impetus of a progressive trade liberalisation process leads to investment decisions to bring about desirable industry rationalisation between the two countries.

Question 3

Article 1(c) provides for the elimination of barriers to trade between Australia and New Zealand in a gradual and progressive manner under an agreed time-table. Is the Agreement notified as an interim agreement leading to the formation of a free-trade area in terms of Article XXIV:7(a) of the General Agreement? What proportion of trade between the two countries is likely to be covered by the Agreement?

Answer

The Agreement is notified under Article XXIV:7(a) as a free-trade area. The Agreement covers all goods traded between Australia and New Zealand, with the commitment to elimination of trade barriers applying to all goods meeting the rules of origin requirements which have not already been eliminated. It is estimated that around 86% of Australia's imports from New Zealand are already free of tariffs and about 94% free of import restrictions or tariff quotas. The corresponding figures for New Zealand's imports from Australia are 76% and 73%. This will reach 100% not later than 1995.

II. Origin Rules

Question 4

Article 3:3 provides that the value added necessary for conferring origin in the territory of one of the parties can be varied if it is "inappropriate". Article 14:4(b) provides that such a variation can be made, inter alia, if a "prejudicial intermediate goods situation" exists.

- What action do the parties to the Agreement intend to take to avoid any sudden and substantial changes in conditions of access to the free-trade area for third-country products as a result of implementation of these provisions?

- If it is found that implementation of these provisions has such an effect, what action are the parties to the

Agreement prepared to take in order to take account of the interests of third countries in this regard?

- What are the cases other than those mentioned in Article 14:4(b) which could justify a variation of the value added?

Answer

Article 3:3 continues a provision which existed under the New Zealand-Australia Free Trade Agreement (NAFTA) rules of origin, and is seen simply as a clause which would enable Australia and New Zealand to agree to an area content other than 50% where this was seen as desirable. This provision was not used under the NAFTA and there is no reason to expect frequent use of this clause under the new Agreement.

III. Tariffs and Duties

Question 5

Article 4 provides for tariff reductions on a grouping of goods basis. Please provide statistics concerning the number of items by groupings and their trade volume (over the past 3 years and also on a country-by-country basis).

Answer

Implementation of the tariff reductions specified in Article 4 is being effected without actually grouping tariff items. It is therefore not possible to provide statistics in precisely the form requested. Approximately 70% of the tariff items in the Australian tariff are duty free for New Zealand, with about 25% of the remaining items being subject to tariffs between 5% and 30%. The other groupings (tariffs less than 5% (but excluding duty free), and tariffs exceeding 30%) each account for about 2% of the items in the tariff. In the New Zealand Tariff, the respective figures are 62%, 31% and 1.6%. Specific duties in the New Zealand Tariff cover 4% of the tariff items.

Attachments 1, 2 and 3 show Australian import clearances over the past 3 years at specified rates of duty from all major suppliers.

Attachment 4 sets out imports into New Zealand from Australia for the three trade years (1979/80, 1980/81 and 1981/82) grouped according to the tariff phasings set out in Article 4 of the Agreement. The number of tariff items have been developed from the tariff in force as at 31 December 1982 prior to the application of tariff phasing. From the information available,

it is not practicable to categorise specific duty rates in the attached schedule. Attachments 5 and 6 provide trade volumes on a grouping of goods basis for Canada and Developing Countries as a group. From the information available, it would not be practicable to give this information on an exhaustive country by country basis.

Question 6

What competence and responsibilities has the industry advisory group referred to in Article 4, paragraph 11(b) and what is its membership?

Answer

The industry advisory body referred to in Article 4:11(b) is the basic assistance review body set up by the respective governments which, at this time, are the Industries Assistance Commission and Temporary Assistance Authority in Australia and the Industries Development Commission and the Emergency Protection Authority in New Zealand. The term used in Article 4 was intended not to preclude other bodies being used at some time in the future.

The Australian Industries Assistance Commission was established under the Industries Assistance Commission Act in 1973 with its membership specified in the Act as not less than five and not more than eleven Commissioners. The functions of the Commission are to hold inquiries and make reports in respect to matters affecting assistance to industries and other matters that may be referred to the Commission in accordance with the Act.

The Australian Temporary Assistance Authority was established also under the Industries Assistance Commission Act and its membership is made up of one Member with associate Members being appointed as necessary. Its function is to inquire into and recommend within 45 days on the circumstances under which temporary assistance might be granted to safeguard industries from damage by undue import competition.

The New Zealand Industries Development Commission was established under the Industries Development Commission Act 1961. Its functions are to inquire into and report on matters relating to industrial development and to protection at the frontier. The Commission has a membership of not less than 4 and not more than 5 members.

The Emergency Protection Authority was established in 1967. Its function is to enquire into and recommend whether urgent action is necessary to protect New Zealand industry in relation to the importation of goods. The Authority is appointed by Ministerial decision.

Question 7

What are the basic tariffs taken into consideration in calculating the tariff reductions mentioned in Article 4? Do the parties to the Agreement consider that the maintaining of a margin of preference of at least 5 per cent, mentioned in Article 4:11(d), implies that no tariff concession below 5 per cent can be granted within the framework of the GATT?

Question 8

What is the tariff basis for the tariff reductions referred to in Article 4 (bound/applied rates)? Do the parties to the Agreement consider that the maintenance of preference margins is compatible with the rights of other parties to the GATT?

Question 9

With respect to the maintenance of a margin of preference for the other Member States mentioned in Article 4, paragraph 11(d), what is the view of the Member States on its revision and its influence on third countries?

Question 14

How will tariff reductions granted under the Agreement affect any reductions granted in future on an m.f.n. basis? Will not the margin of preference mentioned in Article 4:11(d) inhibit any m.f.n. reductions?

Answers

Questions 7, 8, 9 and 14

The tariff reductions being implemented under Article 4 are based on the rates of tariff specified in the Australian Customs Tariff 1982 and the Customs Tariff of New Zealand 1978. Article 4:11(d) basically continues a provision which operated under the NAFTA. The commitment is to sympathetically consider maintenance of a margin of preference of at least 5% only on goods of significant trade interest to Australia or New Zealand when reducing normal or general tariffs. There is no obligation under the Trade Agreement which would prevent a tariff concession below 5% being

granted to third countries. The provisions of Article 4:11(d) are fully consistent with the GATT. Both countries are committed to an outward looking approach to trade and there is no obligation in the Agreement which would prevent tariffs against third countries from being reduced.

Furthermore Article 4:11(d) would only have application in a situation where tariffs against third countries are being reduced by either Australia or New Zealand.

Question 10

(Article 7) Can the parties to the Agreement communicate current lists of revenue duties (products, rates, base, nature of duties)?

Answer

Revenue duties are applied in both Australia and New Zealand with respect to certain goods but not necessarily the same goods.

In Australia a small number of goods are, whether produced domestically or imported, subject to excise duty. A list of these duties is set out in Attachment 7. In New Zealand excise and beer duties are prescribed by the Third Schedule to the New Zealand Customs Act 1966 (Attachment 8¹).

In the case of sales tax all goods produced in or imported for use or consumption in Australia and New Zealand are subject to tax unless they are specifically exempt. A wide range of goods are exempt sales tax in both Australia and New Zealand. A general rate currently of 20% is applied in Australia unless otherwise specified. New Zealand rates vary from 10% to 40%.

Question 11

Article 13:3(b) and Article 14:4(a) provide for the possibility of adoption of a "common external tariff" and a common by-law

- Is the Agreement notified as an interim agreement leading to the formation of a customs union under Article XXIV?
- If so, what are the relevant plan and schedule, and what is the proportion of bilateral trade between the two parties likely to be covered by these provisions?

¹Due to their volume these papers are not attached to the present document. They can be consulted in the secretariat (Mr. Opelz).

- If not, how do the two parties intend to take on their obligations, in the event of establishment of such a common external tariff, under Article XXIV:5(a) and 6?
- What can be the common tariff action mentioned in Article 13:3(c)?

Answer

The Agreement is not notified as an interim agreement leading to the formation of a customs union under Article XXIV of the GATT. The provisions of Articles 13:3(b) and 14:4(a) are intended to provide scope for the adoption of a common external tariff in respect of particular industries or products where this is agreed as warranted to address particular problems.

Article 13:3 sets out measures which might be considered to encourage or support rationalisation of an industry located in the free trade area. Under paragraph (c), Australia and New Zealand might adopt a common system of granting concessional or by-law entry for goods not manufactured within the area. Failure to harmonise by-law arrangements could threaten desirable rationalisation by allowing imports at concessional rates of duty to enter the country which is ceasing production of certain goods. In the event that any action is taken under Article 13:3(b), (c) or Article 14:4(a) Australia and New Zealand will adhere to their GATT commitments.

Question 12

How do the customs duties which the constitute parties to the free-trade area apply to third countries as from 1 January 1983 compare with the duties applicable prior to that date? Are they higher? It would likewise be interesting to know the situation regarding regulations of commerce before and after the establishment of the area.

Answer

There are no provisions in the Trade Agreement which require the introduction or intensification of trade barriers against third countries. In New Zealand's case, the customs duties applying to third countries after the establishment of the free trade area were identical to those applying immediately before its establishment. In Australia's case two significant, but unrelated, changes were made to the tariff: On 1 January 1983 implementation of new tariff rates for New Zealand goods; and the introduction of a new simplified tariff structure which basically maintained the level of assistance accorded Australian

industry. There were no changes in respect of regulations of commerce applied to third countries by either Australia or New Zealand.

Question 13

What impact will the Agreement have on trade currently taking place under the GSP? What is the net result of the trade-creating and trade-diverting effects on trade under preferential arrangements? Has any quantification been made of erosion of margins of preference resulting from the provisions of Article 4:9 and 4:10 of the Agreement?

Answer

The Agreement does not require the withdrawal of any concessions granted to developing countries. Although it will except in the cases of goods that enter duty free from all sources, improve the tariff position of the partner country in relation to developing countries as tariffs or trans-Tasman trade phase down, it is not expected that this will have a significant trade diverting effect, especially since a substantial proportion of imports from developing countries enter duty free. Paragraphs 9 and 10 of Article 4 will not result in any erosion of developing country margins. These paragraphs continue provisions which existed under the NAFTA which simply state that Australia and New Zealand will not accord each other any less favourable treatment than any third country other than developing countries.

The Agreement offers the prospect of trade creation through opening up important new export opportunities for a number of Australian and New Zealand industries, and the prospect of an improvement in the overall efficiency of industries in both countries through concentration of production and trade in goods of relative advantage.

Neither Australia nor New Zealand has undertaken an exercise to quantify any effect the Agreement may have on trade under the GSP. Indeed, such an exercise would be impossible to undertake with any certainty with many immeasurable factors likely to impact. Nevertheless, to the extent that the Agreement will give the other Member State an improved tariff position in relation to goods from developing country sources, there may be some effect on trade currently taking place under the GSP. However, in this context it should be noted that in respect of New Zealand some 88.44 percent of imports from developing countries for the 1981/82 year occurred under Tariff Items which had rates of Free all Sources or Free when from developing countries with a further 9.33 percent occurring under items for which a developing country margin of preference existed. In respect of Australian imports, the corresponding figures in 1980/81 were 74.5% and 8.6% respectively. Based on these figures, therefore, it would be fair to say that the effect of the Agreement on trade currently taking place under the GSP would be limited.

Question 14

See answer to question 7, 8, 9 and 14.

IV. Quantitative Restrictions

Question 15

Please supply statistics of the import licences issued by each Member State (over the last three years, on an item by item and country by country basis).

Answer

For a description of the system and coverage of New Zealand's import licensing arrangements, including the structure of item codes, parties are referred to the 1983/84 Import Licensing Schedule and the 1983/84 Import Licensing Policy Schedule. These documents are available for consultation in the Secretariat Room 1063, Centre William Rappard.

Statistics of the import licences issued by New Zealand are published in the New Zealand Import Licensing Bulletin, a public document, which is issued monthly. For example, the September 1983 Import Licensing Bulletin detailed the value of licence issues for the 1982/83 year to June 1983 by item codes. Copies of the relevant pages detailing licence issues for the 1980/81, 1981/82 and 1982/83 licensing years are contained in Attachments 9, 10, and 11.¹ Issues of the Bulletin are forwarded to the Secretariat. It is not possible to break down licence issues country by country because import licences are issued on a global basis. Licences issued under specific trading arrangements viz. ANZCERT licences, the Developing Country Handicraft Scheme and Special Trade Licences are an exception, but the total value of these amounted to approximately NZ\$47 million in 1982/83, i.e. only 2.79 percent of New Zealand imports under licence.

Attachments 12 and 13 provide descriptions of Australia's tariff quota and import licensing systems.

Question 16

Please supply import statistics of the items covered by the above-mentioned licences (volume and value), if possible.

Answer

New Zealand's published import statistics by CCCN tariff item do not distinguish exempt items from those subject to import licensing control. Generally, where questions regarding the import statistics for specific products subject to licence arise,

¹Due to their volume these papers are not attached to the present document. They can be consulted in the secretariat (Mr. Opelz).

it is necessary to correlate the appropriate tariff items/statistical key reference in the Import Licensing Schedule with the import statistics for that tariff item/statistical key.

However, it has been possible to obtain an unofficial consolidated set of statistics (by value) for those tariff items covered by import licences for the 1980/81, 1981/82 import licensing years. Copies are contained in Attachments 14 and 15.¹ Table IM33 which provides a summary of import statistics by CCCN Section (for 1982/83 licensing year only) is attached (Attachment 16). A microfiche copy of total New Zealand Imports during 1982-83 is contained in Attachment 17¹).

Attachments 18 and 19 provide details of Australia's import clearances of goods subject to tariff quota and import licensing.

Question 17

Article 5, paragraph 4 provides that each Member State shall establish a base level of access for each group of goods. What criteria were used in the grouping of goods?

Answer

Goods were grouped according to the specific categories applying under each country's import licence and/or tariff quota regimes.

Question 18

What percentage of bilateral trade between the parties to the Agreement is currently subject to quantitative restrictions (including tariff quotas)? Will maintenance of the required annual increases in "exclusive access" for products originating in Australia or New Zealand lead to a reduction of overall access possibilities for other countries, and to what extent will the allocation of import licences for third-country products be reduced to take account of the exclusive access reserved by Australia for New Zealand and vice versa?

Answer

In the base period covering the three years ended June 1981, the three year average of imports into New Zealand from Australia subject to import licence control was NZ\$243.5 million cif, with total imports from Australia valued at NZ\$911.13 million cif. Thus 26.72 per cent of imports from Australia in the base period were subject to import licence control. It should be noted that the figures are only approximate because in some areas it is not possible to separate exempt imports from those subject to import licence control.

¹Due to their volume these papers are not attached to the present document. They can be consulted in the secretariat (Mr. Opelz).

In the base period covering the three years ended June 1981, the three year average of imports into Australia from New Zealand of goods subject to tariff quotas was \$A19.5 million f.o.b., with total imports from New Zealand valued at \$A535.9 million f.o.b. Therefore 3.64 per cent of imports from New Zealand in this period were subject to such restraints.

The application of the access formulae as set out in Article 5 of the Trade Agreement will not lead to a reduction of overall access possibilities for other countries. Therefore, access opportunities for third countries will not be reduced because of the "exclusive access" created under the Agreement.

Question 19

How long is the period of the limited increase in the level of access mentioned in Article 5, paragraph 8? What relationship is there between initial increase in the level of access and the exclusive access mentioned in paragraph 10?

Answer

In New Zealand's case, because the import licensing year ends on 30 June, the initial period referred to covered the 18 month period 1 January 1983 to 30 June 1984 to enable liberalisation under the Agreement to be brought into line with the import licensing year. The initial increase in the level of access is equal to the "exclusive access" mentioned, i.e. it is exclusive access as referred to in paragraph 10.

In Australia's case tariff quotas are administered on a calendar year basis and accordingly paragraph 8 of Article 5 has not been applied.

Question 20

What relationship is there between global access and exclusive access? Is exclusive access consistent with the provisions of GATT Articles XIII and XXIV:5?

Answer

Exclusive access is provided additional to global access. Any increases or decreases in the level of global access available are taken into account for calculating the exclusive access to be made available. The provision of global access is in conformity with Article XIII and the provision of exclusive access is consistent with the provisions of GATT Article XXIV:5(b). In this regard, the attention of Contracting Parties is drawn to the points covered in the signatories' answer to Question 21.

Question 21

With respect to quantitative import restrictions and tariff quotas (Article 5:4 of the Agreement), it would be interesting to know the position regarding consistency of conditions of access for the grouping of goods subject to the restrictions mentioned with the provisions of Article XIII of the General Agreement. The same question arises in connexion with Article 5:5, 5:6 and 5:7 of the Agreement. How was the base level of access determined for the products mentioned in Annex A? How is the limitation on the increase determined for products mentioned in Annex B?

Answer

The base access formula referred to in paragraph 4 of Article 5 of the Trade Agreement ensures a specific liberalisation by both New Zealand and Australia of existing global quantitative restrictions in respect of the other country. Current global provision is not reduced. Such specific liberalisation, in addition to existing global provision, accords with the purpose of a free trade area as laid down in paragraph 4 of Article XXIV of the GATT, viz. "to facilitate trade between the constituent territories and not to raise barriers to the trade of other contracting parties with such territories" Accordingly, the signatories to the Trade Agreement submit that the provisions of Article XXIV paragraph 5 and 5(b) of the GATT apply.

The signatories would submit that it is reasonable to interpret Article XXIV as applying to quantitative restrictions in view of paragraph 5(a)'s coverage of "duties and other regulations of commerce". Confirmation that such restrictions may reasonably be deemed to be covered by this phrase may be found in paragraph 8(b) where Articles XI to XV and XX are explicitly referred to in relation to "other restrictive regulations of commerce".

The level of access for the products mentioned in Annex A represents the level of special access previously provided by New Zealand pursuant to the New Zealand-Australia Free Trade Agreement for the goods concerned. For the products listed in Annex B, the limit on the increase in access provided by New Zealand for goods of Australian origin was determined by the application of paragraph 6(b) of Article 5 of the Agreement.

Question 22

Will the modalities for reduction or elimination of quantitative restrictions be notified to GATT?

Answer

The reduction and elimination of quantitative restrictions will take place between the signatories in accordance with the liberalisation programme laid down in Article 5 of the Trade Agreement, noting the provision of Article 22 paragraph 3(d) in this regard.

The initial modalities for implementation of this programme have been notified to the GATT and are included in New Zealand's response to the Questionnaire on Import Licensing Procedures (L/5172/Rev.2 26 August 1982) paras 4 and 6(c) (i). These are currently subject to review and any modification will be notified to the Secretariat in due course.

Australia maintains quantitative restrictions on a very limited range of products (applied on a global basis), the main items being used, second-hand or disposals, earthmoving, construction and materials handling machinery and equipment, 4 wheel drive vehicles, and passenger motor vehicles. These measures have been notified to the GATT and are included in Australia's response to the Questionnaire on Import Licensing Procedures (L/5108/Rev.1 of 3 November 1982). Any modifications will be notified to the Secretariat as they arise.

V. Trade Coverage

Question 23

If one excludes the goods covered by Annexes C, E and F, what is the proportion of bilateral trade between the parties to which the normal provisions of the Agreement are applicable?

Answer

A considerable range of goods specified in Annexes C, E and F do not correspond precisely with tariff or trade statistical classifications. This is because the goods concerned may be one of a number of products included under a specific tariff or statistical classification. Thus, it is not possible to differentiate between that trade covered by both the relevant modified schedule and the normal provisions. Consequently, as it is not possible to derive accurate and reliable statistics on trade covered by Annexes C, E and F, it is not possible to state what proportion of the bilateral trade between the parties is covered by the normal provisions of the Agreement. It should be noted that some of the categories of goods covered by the annexes are subject to more rapid than normal transition to free trade while all trade is covered by the Agreement. It is important to note that while the tariff phasing and access liberalisation programme has been modified in respect of certain specified products, the Agreement covers all goods traded between the two countries.

Question 24

What is the percentage share of the trade in agricultural/industrial goods covered by the Agreement (three most recent years)?

Answer

Set out below are details of the trade in manufactured and agricultural products between Australia and New Zealand over the last three trade years. "Agricultural" goods are defined as those falling within CCCN Chapters 1-24 inclusive.

TRANS-TASMAN TRADE
Year Ending 30 June

	1980/81		1981/82		1982/83	
	Value	%	Value	%	Value	%
<u>(1) NEW ZEALAND EXPORTS TO AUSTRALIA (NZ\$ MILLION FOB)</u>						
TOTAL	814.7	-	1025.2	-	949	-
AGRICULTURAL	122.4	15	153.7	15	192.2	20.3
MANUFACTURED	692.3	85	871.5	85	756.8	79.7
<u>(2) NEW ZEALAND IMPORTS FROM AUSTRALIA (NZ\$ MILLION CDV)</u>						
TOTAL	1043.6	-	1367.4	-	1447	-
AGRICULTURAL	133.4	12.8	115	8.4	129.8	9
MANUFACTURED	910.2	87.2	1252.4	91.6	1317.2	91

Question 25

Could the parties to the Agreement provide statistical information on the trade subject to the provisions of Article 6 (trade among themselves - trade with third parties)?

Answer

For the reasons set out in the answer to Question 23, it would not be practicable for the parties to the Agreement to provide comprehensive and accurate statistical information on trade subject to the provisions of Article 6 either as it relates to bilateral trade or trade with third parties. However, should contracting parties wish to receive details of trade on individual items, an estimate of the trade could be provided at a later date.

VI. Agriculture

Question 26

Annex E establishes certain special measures regarding trade between the two parties in various agricultural products. In particular, the partner is considered to be the preferred supplier, or special conditions of access are to be determined by mutual agreement, or products are assimilated with domestic products, or provision is made for concerted action on policies, practices or selling prices. What will be the concrete effects of these special measures, and what will be the consequences on traditional or potential trade with third countries?

Answer

The effect of the measures established in Annex E, in general, formally record the trading patterns and arrangements that have developed over time and that for sound commercial reasons will continue. The measures will not lead to trade deflection or trade diversion in relation to trade with third countries and the Agreement contains provisions designed to prevent this taking place. Two particular examples can be cited. First, New Zealand has traditionally sought supplies of wheat from Australia in times of shortfalls in New Zealand production. The specific provision in the Agreement merely records this historic pattern of trade. This will continue to be the case but the preference to Australia is subject to the normal commercial considerations of price, quality and delivery. Secondly, the development of trans-Tasman trade in dairy products is to take place in accordance with the understanding reached between the two industries under which the consultation process will be continued.

Question 27

Article 10:4 provides that the two parties will co-operate in respect of trade in agricultural goods in third-country markets and to this end will encourage co-operation between their marketing authorities.

- What is the scope and definition of the term "cooperate"?

- What forms will this co-operation take and in particular can it lead to agreed-price and market-sharing practices?

- What action do the two parties intend to take to ensure, within the framework of this bilateral co-operation, observance of obligations under GATT and in particular those in respect of agricultural trade?

Answer

The Agreement does not contain a specific definition of co-operation. Rather, it is envisaged that appropriate forms of co-operation will develop, particularly between marketing authorities and producer/exporter organisations, as the implementation and operation of the Agreement progresses. The form that co-operation will take has not been and cannot be determined or predicted. This provision of the Agreement is designed to draw the attention of relevant organisations and authorities to the desirability of increased co-operation. It should be emphasised that both Australia and New Zealand will continue to observe their obligations under GATT, and that the co-operation envisaged in the Agreement will not contravene those obligations.

Question 28

With respect to Annex E regarding agriculture, the provisions are formulated in terms of bilateral preferences or advantages (for example, citrus fruit and grapes, dairy products, wheat, etc.) without their being extended to third countries.

Answer

The preferred supplier position accorded Australia for products such as citrus fruit, fresh grapes and wheat takes account of the monopoly import arrangements in New Zealand, and in each case is subject to the normal commercial considerations of price, quality and delivery, while that for dairy products reflects the understanding reached between the two dairy industries. Although the preferences relate to the Trade Agreement signatories, care has been taken to ensure that no barriers have been raised additional to those already in existence in respect of other contracting parties to the GATT.

Where liberalisation of current access is involved, this accords with the purpose of a free trade area as laid down in paragraph 4 of Article XXIV of the GATT. Accordingly, the signatories to the Agreement submit that the provision of paragraphs 5 and 6(b) of Article XXIV of the GATT apply. In this regard, the attention of Contracting Parties is drawn to the points covered in the signatories' answer to Question 21.

VII. Other Questions

Question 29

How should one interpret, in Annex F, paragraph 4, the obligation for Australia "to encourage" Australian users of newsprint to regard the New Zealand industry as the preferred supplier? What concrete form will this encouragement take?

Answer

This provision continues the principle of according preferred supplier status to New Zealand newsprint which was embodied in a 1969 exchange of letters under the NAFTA. Australia will draw upon past co-operative links between the newsprint industries in Australia and New Zealand, in encouraging Australian users of newsprint to regard the New Zealand industry as the preferred supplier. In normal circumstances, commercial considerations of price, quality, and supply, will of course be the deciding criteria upon which imports are based.

Question 30

Can the parties to the Agreement explain how the provisions of Article 9:4 are consistent with obligations under the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement? There is an apparent contradiction between the provisions of Article 9 regarding elimination of export incentives as from 1987 and the commitment entered into by Australia and New Zealand to eliminate export subsidies before 31 March 1985. Can the parties to the Agreement explain this?

Answer

Australia does not currently operate any performance-based export incentives of the type referred to in Article 9:4 of the Trade Agreement. In accepting the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement, New Zealand undertook to bring export incentive schemes into conformity with the Code within a reasonable period of time. Other Code signatories granted New Zealand a waiver in

the expectation that non-conforming export incentives would be brought into conformity with the Code by 31 March 1985. New Zealand gave no assurance that this deadline could be met. In view of that, a timetable for the phasing out of certain performance-based export incentives on New Zealand exports to Australia was negotiated in the ANZCERT Trade Agreement, it being understood that any earlier phasing out of the incentives on a global basis would supersede the timetable set out in the Agreement. Accordingly, there is no conflict between the provisions of Article 9 of the Agreement and the commitments entered into by either country on accepting the GATT Subsidies Code.

Question 31

Do the provisions of Article 11 apply to State enterprises and the purchases they make, and if so, will the provisions of Article XVII of the GATT be applied in an appropriate manner?

Answer

The provisions of Article 11 apply only to government procurement policies and not to the purchasing policies of state trading enterprises. As such, the provisions of Article XVII of the GATT are not applicable.

Question 32

What are the restrictive trade practices mentioned in Article 12:1(a)?

Answer

The requirements relating to restrictive trade practices mentioned in Article 12:1(a) refer to Australia's Trade Practices Act (1974) and New Zealand's Commerce Act 1975. Article 12:1(a) indicates that the Member States shall work towards the harmonisation of requirements relating to such restrictive trade practices that may exist or develop in the trading relationship. The intention of this Article is to provide a commitment to address any measures which impede or distort trade in the area.

Question 33

Will the harmonization of standards, technical specifications and testing procedures, referred to in Article 12, be effected on the basis of existing international standards?

Answer

The nature and extent of any harmonisation of standards technical specifications and testing procedures will depend on the nature of the problem and the product concerned. The intention of Article 12 however is to facilitate trade between Australia and New Zealand and not to raise barriers to trade of third countries. Where appropriate and relevant international standards exist, harmonisation procedures will take into account such standards.

Questions 34, 35, 36, 37

(34) In what respect do the additional measures mentioned in Article 13:3 and, in particular, joint anti-dumping action against third countries, constitute rationalization measures for Australian and New Zealand industry?

(35) What about the idea and operation of the anti-dumping action referred to in Article 13:3(e)?

(36) What relationship is there between the above mentioned joint anti-dumping action and the anti-dumping action referred to in Article 15:8?

(37) What relationship has the anti-dumping action mentioned in Article 13:3 and Article 15:8 with the Agreement on Implementation of Article VI of the GATT.

Answers to questions 34, 35, 36 and 37

The Agreement and, in due course, the impact of the trade liberalisation process will in itself provide impetus for desirable industry rationalisation. Article 13 envisages the possible implementation of measures additional to those included in other Agreement Articles where these are considered necessary to encourage or support further rationalisation. Article 13:3 provides an indicative list of measures which might be considered in this regard. Only in respect of certain papers (see paragraphs 11-15 of Annex F of the Agreement) have proposals for the implementation of these measures been set out. These measures are a continuation of requirements which have applied for a number of years under the NAFTA.

No joint anti-dumping action under Article 13:3(e) has been taken nor is any such action currently envisaged.

Anti-dumping action which Australia might take under Article 15(8) of the Trade Agreement would be in accordance with Article 12 of the Agreement on Implementation of Article VI of the GATT and with Article VI:6(b) of the General Agreement. Action which New Zealand might take would be consistent with Article VI:6(b) of the GATT.

Question 38

Do the parties to the Agreement consider that the provisions of Article 15 are consistent with Article VI of the GATT and the obligations deriving from the Anti-dumping Code?

Answer

The provisions of Article 15 of the Agreement are consistent with Article VI of the GATT. Both parties subscribe to the principles of Article VI in relation to material injury. Australia applies the injury test provided in Article 3 of the GATT Anti-Dumping Code. New Zealand, which is not a signatory to the Anti-Dumping Code, also requires establishment of material injury consistent with Article VI of the GATT.

Question 39

What action do the parties to the Agreement intend to take to avoid any sudden and substantial changes in conditions of access to the free-trade area for third-country products as a result of the provisions of Article 14:4(c) and (g)? If it is found that these provisions have such an effect, what action are the parties to the Agreement prepared to take in order to take account of the interests of third countries in this regard?

Answer

There are a number of options available to the parties to remove a prejudicial situation applying to the disadvantage of one party as a result of different treatment of an intermediate good by the two parties. Recourse to paragraph 4(c) of Article 14 would not entail any change to the substantive duty regime on inputs to the final product imported from third countries. Although it would mean a change in concessionary entry provisions (should these apply), with the objective of reducing the difference between the levels in the two parties of the frontier assistance for particular final product traded between the two parties, this would not necessarily result in changes in either party to the level of trade with third countries in the input concerned.

Paragraph 4(g) of Article 14 does not relate to products (inputs) imported from third countries for use in manufacturing in either party. It relates solely to an import charge which may be levied on final products made in one party and imported into the territory of the other party. The charge on the final product would be set at a level sufficient to offset the disadvantage that has been found on enquiry to exist because of the circumstances set out in paragraph 1 of Article 14.

Question 40

For what reasons have the parties spelt out provisions regarding countervailing action when, as signatories of the Code on Subsidies and Countervailing Duties, they could have referred to the provisions of that code? Are the provisions of Article 16 consistent with obligations deriving from the code?

Answer

Both parties realise and accept that membership of the Code on Subsidies and Countervailing Duties imposes certain disciplines and obligations. At the time the Agreement was being negotiated, there was considerable public interest in the proposed safeguard provisions, including countervailing action. In these circumstances, it was considered that it would be appropriate to include in the Agreement details of these disciplines and obligations. The provisions of Article 16 are consistent with the obligations deriving from the Code. The Agreement reflects the nature of the trans-Tasman trading relationship by placing emphasis on consultations and the exchange of information. This is in accordance with the Code.

Question 41

Article 24 provides to admit the association of third countries to the Agreement. What is the view of the Member States on the accession of third countries to the Agreement?

Answer

The terms of association of a third country with the Trade Agreement will be negotiated in accordance with paragraph 2 of Article 24. There have, to date, been no such requests from any third country for association with the Agreement and, therefore, the issue of accession of third countries to the Agreement has not arisen.

Question 42

In the context of the philosophy of preferred suppliers referred to in Annex F, how do the parties to the Agreement intend to take into account interests of third parties?

Answer

The importance of the trade in forest products to the trans-Tasman relationship is reflected in paragraphs 1 and 2 of Annex F of the Agreement.

Although the parties have agreed to encourage their respective industries to source certain forest product materials in the other's market, this is a reflection of the nature of the relationship that has been developed over time.

The Annex also makes clear that the fulfillment of the preferred supplier position is conditional on certain commercial considerations being met. These provisions will mean that the interests of third parties are taken into account.

Question 43

Have any calculations been made as to the trade-creating or trade-diverting effects of establishment of the area? What is the net result?

Answer

There have been no studies undertaken on the trade-creating or trade-diverting effects of the establishment of the Agreement.

Question 44

What are the special circumstances mentioned in Article 6 of the Agreement and in what respect does the "modified manner" of application of the Agreement differ from the "normal manner"?

Answer

Special circumstances relate to the need to ensure a smooth transition from arrangements concluded pursuant to the New Zealand-Australia Free Trade Agreement, to existing agricultural support/stabilisation schemes and to the special adjustment needs of particular industries. The extent to which the trade liberalisation measures have been modified for specific categories of goods are set out in Annexes C, E and F to the Agreement.

Question 45

With regard to Article 9:4 of the Agreement, it is not clear why export incentives could be reduced and eliminated within the context of the free-trade area without fulfillment of the obligation to extend the benefits to third parties under the m.f.n. clause.

Answer

The gradual reduction and elimination of performance-based export incentives pursuant to Article 9:4 of the Agreement does not involve raising barriers to the trade of contracting parties and is in accord with the provisions of paragraph 5 and 5(b) of Article XXIV.

New Zealand, in accepting the Subsidies Code, undertook to bring export incentive schemes into conformity with the Code within a reasonable period of time. Non-conforming incentive schemes will thus ultimately be eliminated on an mfn basis. In the meantime, New Zealand has entered into a specific commitment with Australia in the context of this free trade agreement.

Australia, on joining the Subsidies Code, made a statement which stated, inter alia, that in respect of Australian measures which may exist within the purview of the illustrative list at the time of acceptance, the Government of Australia will examine methods of bringing these measures into conformity within a reasonable period of time. In relation to Paragraph 4 of Article 9 of the Trade Agreement, the Export Expansion Grants scheme listed in Annex D to the Agreement terminated on 30 June 1983.

Question 46

The provisions of Article 14 of the Agreement regarding "prejudicial situations" for the constituent parties of the area as a result of imports on preferential terms from third countries seem to be in contradiction with preferences granted under the GSP and would allow the initiation of anti-dumping or countervailing action (paragraph 4(d)) while at the same time authorizing the grant of export and/or production subsidies (paragraph 4(e)) covered by Article XVI of the General Agreement.

Answer

Article 14:4 is a non-exhaustive list of measures, one or more of which might be adopted by the parties to remove a prejudicial intermediate goods situation.

Article 14:4(a) provides scope for changes to substantive rates of duty. However, the parties' international trading obligations would be taken account of in a situation where action under the provision was being considered.

The application of Article 14:4(c) which relates to concessionary entry provisions would not change the substantive import provisions for third country products and would not therefore change either the GSP substantive tariff or the preference.

Article 14:4(d) provides possible solution to the benefit arising from dumping or subsidisation of goods imported from third countries and any action taken under this provision would be in accordance with the international obligations of both Member States.

ADDITIONAL QUESTIONS

QUESTION 1

New Zealand import licensing requirements with respect to imports from Australia are to be phased out by 1999. Will this liberalisation apply to third countries as well?

ANSWER

Both parties are obliged to eliminate by 30 June 1995 quantitative import restrictions and tariff quotas on all goods originating in the other country.

This commitment does not apply to goods originating in third countries.

QUESTION 2

Please explain in greater detail how Australian minimum access to the New Zealand market has been calculated for products listed in Annex A. Article 5 paragraph 4 states it is by method other than three year average annual level of imports. More specifically to what extent would this limit the possibility of third countries benefitting from any market expansion or increase in licence entitlement?

ANSWER

Annex A lists those groupings of goods for which on 31 December 1982 the level of access provided exclusively for goods of Australian origin under the New Zealand-Australia Free Trade Agreement (NAFTA) was higher than the three year average of imports from Australia calculated in terms of paragraph 4 of Article 5. For these groupings of goods the level of NAFTA access becomes the "base level of access".

This would not reduce the scope for increasing market access on a global basis as decisions on global access are made independently of the operation of the Trade Agreement mechanism.

QUESTION 3

Article 9 refers to elimination and reduction of all export subsidies and export incentives on goods traded in the area. To what extent will this have the effect of freeing funds to be concentrated in other export markets?

ANSWER

The schemes that are to be eliminated within a specified timeframe in terms of Article 9 are not funded from a specific and limited budget. Accordingly, their elimination would not free funds to be concentrated in other export markets. Exporters would continue to benefit from the various schemes only to the extent of any activity undertaken in, or exports achieved to, third country markets.

QUESTION 4

Please define what is meant in Article 9; paragraph 2, by "trade in the area"?

ANSWER

The term "trade in the area" means trade between the two signatories to the Agreement. Attention is drawn to Articles 2 and 3 of the Agreement in this regard, with particular reference to paragraph 3 of Article 2.

QUESTION 5

Annex C states New Zealand will eliminate export incentives for certain fish products caught by joint ventures. Does this apply only to exports to Australia or will export incentives be eliminated completely, regardless of destination?

ANSWER

The elimination by New Zealand from 1 April 1983 of those export incentives specified in Annex D applies only to the fish concerned that are exported to Australia.

QUESTION 6

Annex D lists export incentives to be reduced and eliminated. Could information be provided on how these programmes affect mineral and metal exports, e.g. non-ferrous metal smelter products?

ANSWER

Details on New Zealand export incentives schemes have been provided to the GATT and, also, are available publicly.

The Agreement relates to the progressive reduction and elimination of the export incentive schemes listed in Annex D as those schemes continue to apply after 1 April 1985 to goods traded between the two signatories to the Agreement.

In Australia's case, the Export Expansion Grants Scheme listed in Annex D terminated on 30 June 1983. (See answer to Question 45).

QUESTION 7

Article 10 states that the introduction of new, or the amendment of existing, agricultural stabilisation and support measures shall not be such as to have trade effects inconsistent with this Agreement. To what extent would this have the result of concentrating the impact of such measures on third country markets?

ANSWER

Article 10 provides that any new or amended domestic agricultural stabilisation or support measures must be consistent with the objectives of the Agreement. In this regard, the attention of Contracting Parties is drawn to Article 1 of the Agreement which lists the objectives, in particular to sub-paragraphs (c) and (d).

It should not be inferred from Article 10, however, that further agricultural stabilisation and support measures that impact negatively on trade opportunities for third countries will be introduced. Nor is there any reason to infer that, in the event it was decided at some stage in either country to introduce additional measures, the impact would be greater on third countries because of the requirement that these measures should not have trade effects inconsistent with the Agreement.

QUESTION 8

Article 10 also encourages co-operation in respect of trade in agricultural goods in third country markets and specifically mentions co-operation between marketing authorities. To what extent would this limit the ability of such marketing authorities, i.e. the New Zealand and Australian meat marketing agencies, to enter into understandings on an individual basis?

ANSWER

The exhortation in Article 10 to New Zealand and Australian marketing authorities to co-operate is expressed in general terms and places no limits on the ability of marketing authorities to enter into undertakings on an individual basis.

The answer to Question 27 is relevant to this Question.

QUESTION 9

Under what circumstances, as referred to in Article 13, paragraph 3(b), would Australia and New Zealand consider the adoption of a common external tariff to encourage the rationalization of industry in either country?

ANSWER

Under Article 13:3(b), a common external tariff would be considered as one possible means of encouraging or supporting industry rationalisation where such rationalisation was likely to lead to more efficient use of the area's resources and where consultations between the Member States conclude that action by governments was both necessary and desirable. The measures specified in Article 13 are intended as an indicative listing only and consideration of other measures to encourage or support rationalisation is not precluded. No detailed rules or procedures have been agreed between the Member States, and the application of this Article in particular cases will be determined at the time.

QUESTION 10

Please characterize the circumstances, as referred to in Article 13, paragraph 3(d) under which either Australia or New Zealand would consider making an exemption from the operation of anti-dumping laws and regulations for goods from the other country; also, please elaborate on the circumstances, as referred to in Article 13, paragraph 3(e), under which Australia and New Zealand would consider undertaking joint anti-dumping action against third countries.

ANSWER

The measures specified in Article 13:3 are intended to provide an indication of possible measures which may be implemented by the Member States and does not preclude other measures which may be considered appropriate.

Specific circumstances have not been identified in which exemption of trans-Tasman trade from anti-dumping action might be contemplated. Such action would only be taken in accordance with Australia's and New Zealand's obligations under the GATT. The latter part of Question Add 10 was answered in response to Questions 34-37.

QUESTION 11

Under what circumstances, as referred to in Article 14, paragraph 4(a), would Australia and New Zealand consider the adoption of a common external tariff to solve the problems of trade deflection?

ANSWER

The measures specified in Article 14:4(a) are intended to provide an indication of possible measures which may be agreed by the Member States and does not preclude the adoption of other measures. As each prejudicial intermediate goods situation arising will vary considerably, it has not been possible to detail the circumstances under which the option of a common external tariff will be considered for a particular industry or product. Australia and New Zealand will take into account their GATT obligations in applying measures under Article 14.

QUESTION 12

Under what circumstances, as referred to in Article 14, paragraph 4(d), would Australia or New Zealand consider initiating anti-dumping or countervailing duty actions on behalf of the other country?

ANSWER

Anti-dumping or countervailing action under Article 14:4(d) would only be taken in accordance with Australia's and New Zealand's obligations under the GATT.

QUESTION 13

Under what circumstances, as referred to in Article 14, paragraph 4(e), would the provision of production or export subsidies be permissible in either Australia or New Zealand to solve the problem of trade deflection?

ANSWER

The provision of production or export subsidies is an approach included in Article 14:4 as one of several options which may be considered in addressing an intermediate goods problem. The circumstances in which such subsidies might be provided have not been specifically addressed in negotiations between Australia and New Zealand.

QUESTION 14

Article 15, anti-dumping action:

(a) Why does this Article make no reference to international obligations under the GATT as does Article 16? It is recognised that New Zealand is not signatory to the Anti-Dumping Code but it is nevertheless governed by the conditions of GATT Article VI.

(b) Paragraph 6(c) refers to provisional measures limited to a period not exceeding six months, while the Code stipulates four months with allowance for six in special circumstances. Discrepancy could lead to complications if third country exporters were involved in anti-dumping investigation along with New Zealand or Australian exporters. Australia will presumably abide by the Code commitments vis-a-vis third country exporters. It is also noted that the provisions on countervailing action (Article 16, paragraph 5(c)) allow four months for the imposition of provisional measures. Why exists this distinction between anti-dumping and countervailing actions?

(c) Can it be confirmed that third country exporters will not be discriminated against in terms of treatment in anti-dumping investigations, e.g. right to consultations (paragraph 4), information to be provided (paragraph 5), procedures to be followed (paragraphs 6 and 7).

ANSWER

(a) Article 15 of the Trade Agreement makes no reference to international obligations under the GATT due to the differing GATT obligations of the Member States. Both Australia and New Zealand are subject to Article VI of the GATT, but only Australia is a signatory of the Anti-Dumping Code. Article 15 is fully compatible with the obligations undertaken by each.

(b) The differences in time limits for imposition of provisional measures reflects the variations in the respective provisions of Articles 10:3 and 5:3 of the Anti-Dumping Code and Subsidies and Countervailing Duties Code respectively. Both countries are bound by the Subsidies Code. However only Australia is a member of the Anti-Dumping Code and the unqualified reference in the Trade Agreement to a period of 6 months reflects New Zealand's legislative provisions. In the case of Australia, provisional measures would only be applied in excess of 4 months in circumstances set out in Article 10:3 of the Anti-Dumping Code.

(c) The Member States will conduct anti-dumping investigations against third country exporters in accordance with their GATT obligations.

QUESTION 15

Article 16, countervailing action: Point (c) above applies here as well. It is presumed that paragraph 5(a) should refer to "preliminary finding" of subsidy.

ANSWER

In countervailing actions against third countries, the Member States will take full account of their GATT obligations. Under Article 16:5 of the Agreement, provisional measures may be applied if a preliminary finding has been made, pending final determination of the facts of the case.

QUESTION 16

Article 17, safeguards: What is the meaning (paragraph 2(a)) of "severe material injury"? Is this meant to be the same as "serious injury" of GATT Article XIX? If so, why is the GATT term not used? If the meaning is different it would raise the possibility of discriminatory treatment of third country exporters in safeguard actions.

ANSWER

Article 17 of the Agreement provides for safeguard measures where, as a result of the trade liberalisation program, goods are being imported from one Member State in such increased quantities and under such conditions as to cause, or to pose an imminent and demonstrable threat to cause, severe material injury to the industry of the other Member State. The intention of Article 17 of the Agreement is to severely limit the extent of safeguard action in trans-Tasman trade, and its provisions are seen as more restrictive than Article XIX of the GATT. The emphasis of the Agreement is to bring about gradual adjustment through a phased removal of trade barriers and trade distorting factors. Once these barriers and factors are eliminated in trans-Tasman trade, there is no scope for safeguard action of the type specified in Article 17. Hence the term "serious injury" of GATT Article XIX was not used in Article 17 of the Agreement to avoid the presumption that there was a similarity in the situations under which action would be justified.

VALUE OF IMPORTS CLEARED FOR FREE CONSUMPTION AT DISCRIMINATED RATES OF DUTY 1980-81

\$'000

Rate of Duty	Developing Countries				EFTA Countries			EEC Countries				Total			
	ASEAN	P.M.G. - Portugal	Other Developing	Total	United Kingdom	Republic of Germany	Other	Total EEC	New Zealand	Canada	Japan		U.S.A.	Other	
FREE															
For Australian Government	499	806	1 1,225	2,521	17,507	25,183	31,031	132,566	561	7,420	16,152	165,374	1,589	323,671	
By-law	13,419	590	15,692	30,550	50,067	76,309	49,168	241,312	27,260	20,178	297,213	286,988	5,535	959,102	
Other free	979,260	67,822	2,518,856	3,741,667	105,442	267,928	146,163	514,655	500,403	98,470	220,906	525,930	137,412	5,865,175	
Total free clearances	993,137	69,218	2,535,772	3,774,916	173,017	458,075	206,086	866,563	528,304	126,067	534,271	958,292	164,536	7,127,948	
DUTYABLE															
Ad Valorem Rates															
By-law Rates															
2%	21	-	256	582	475	771	1,011	2,123	3,405	-	82	2,343	24	13,432	
Total dutiable	30,514	28	149,962	185,277	155,426	334,010	263,614	731,404	829,038	2,821	691,648	1,344,502	25,600	3,273,903	
By-law rates	30,535	28	150,218	185,850	155,900	334,781	264,634	733,321	832,942	2,822	697,730	1,346,846	25,624	3,287,335	
Normal rates															
Under 2%															
2% and under 5%	11,809	3,542	36,266	55,335	146,891	310,970	251,108	740,009	802,187	234	668,378	700,242	88,590	2,651,170	
5% and under 7½%	4,110	-	13,661	10,287	7,034	25,532	15,554	11,481	52,567	6,075	31,115	68,807	6,472	220,076	
7½% and under 10%	3	-	77	66	36	3,229	187	957	4,373	12,261	1,643	907	12	19,444	
10% and under 12½%	8,682	-	63,074	77,060	3,513	28,831	8,295	7,227	44,354	21,804	40,136	43,283	4,866	239,131	
12½% and under 15%	49	-	119	180	1,077	2,421	3,689	9,217	15,326	6,744	17,346	14,792	236	59,126	
15% and under 17½%	45,569	-	115,533	165,579	13,865	39,307	34,838	52,072	126,148	12,884	81,005	126,246	13,956	573,344	
17½% and under 20%	144	-	1,374	1,712	6,430	8,430	9,758	6,574	24,762	217	4,931	22,728	4,216	89,777	
20% and under 22½%	42,721	3	85,382	137,694	72,969	83,608	50,752	58,771	193,131	649	16,300	278,819	192,817	859,164	
22½% and under 25%	682	-	7,853	9,691	172	2,282	34	1,103	3,619	3	2,659	13,800	132	37,177	
25% and under 27½%	7,391	19	56,746	76,225	51,678	129,027	90,170	75,727	294,926	4,851	10,967	256,502	10,437	1,020,892	
27½% and under 30%	74	-	3,337	4,175	166	679	643	427	1,749	-	98	2,165	365	9,992	
30% and under 32½%	17,405	468	54,878	75,345	18,975	43,907	40,682	75,478	160,066	458	8,648	174,697	11,918	573,234	
32½% and under 35%	266	-	26,509	27,817	2,377	9,616	7,531	29,903	47,060	17	590	20,983	2,957	109,257	
35% and under 37½%	9,755	-	55,812	73,943	23,679	20,968	15,201	25,738	62,007	22	1,103	37,443	3,227	505,095	
37½% and under 40%	115	-	4,284	5,042	172	449	146	947	1,542	-	3	1,062	13	7,944	
40% and under 42½%	4,993	-	41,755	51,768	1,916	5,335	2,961	8,803	17,079	9	12,353	26,941	2,397	167,303	
42½% and under 45%	79	-	1,379	1,544	65	61	201	152	414	4	72	263	5	2,368	
45% and under 47½%	7,482	-	99,887	122,371	872	4,261	1,762	8,874	14,847	4	76	3,865	4,082	149,324	
47½% and under 50%	722	-	2,989	3,377	63	1,214	115	396	1,725	8	36	676	152	6,431	
50% and over	3,684	2	20,550	33,982	15,295	18,927	60,686	21,994	101,407	5	1,439	17,131	1,007	451,721	
Total normal rates	165,355	4,038	693,624	979,534	328,799	739,065	594,692	1,633,629	1,969,387	94,759	280,975	1,726,802	161,627	7,152,154	
Total Ad Valorem Rates	195,870	4,065	843,842	1,125,772	484,697	1,073,847	859,326	2,649,156	2,802,329	97,581	340,244	2,927,886	3,073,648	11,039,489	
Other than Ad Valorem Rates	69,351	133	111,178	208,976	16,440	52,443	15,498	83,931	152,020	8,072	32,392	101,670	13,946	632,746	
Total dutiable clearances	265,241	4,198	955,020	1,334,748	501,139	1,176,440	874,822	2,933,087	3,954,399	105,653	373,077	3,027,058	3,117,317	11,672,235	
TOTAL	1,258,378	269,893	73,416	16,804,490,797	5,109,283	614,176	1,584,565	1,078,928	1,749,629	633,957	499,164	3,561,319	4,133,607	345,732	18,800,183

(a) Although Portugal is a member of the European Free Trade Association (EFTA) these figures do not include Portugal

ATTACHMENT 3

VALUE OF RECORDS CLEARED FOR IDE OBSERVATION AT ESTABLISHED RATES OF DUTY 1981-82
'000

Rate of Duty	Developing Countries			FTA			EEC Countries			New Zealand	Spain	Japan	U.S.A.	Other	Total Clearances
	ASEAN	Taiwan	China-excl.	Portugal	Other	Developing	Total	United Kingdom	Federal Republic of Germany						
For Australia Government	668	69		71	0	1,600	2,411	8,808	23,376	26,229	116,272	13,873	192,464	2,424	345,078
By-law	80,153	10,839		806	279	71,717	163,794	74,315	333,266	615,290	30,818	533,970	513,764	8,241	2,023,162
Other Free	1,145,871	159,032		68,648	11,190	2,850,057	4,224,799	136,383	287,419	125,964	569,054	256,144	648,726	172,130	6,202,197
Total free clearances	1,226,690	169,940		69,315	11,470	2,925,377	4,401,004	219,505	458,995	326,574	1,300,626	826,007	1,356,954	182,795	9,070,657
By-law Rates	50,849	4,967		19	1,997	172,741	210,573	150,670	370,463	1,073,264	3,083	653,967	1,602,103	27,190	3,966,900
Other Ad Valorem	928					92	1,021	520	663	1,437		497	948		4,425
Other than Ad Valorem	29					107	136	43	2,650	3,826		16,479	4,183	318	28,212
Total dutiable by-law Rates	31,007	4,967		19	1,997	172,940	211,729	151,013	373,777	1,080,647	3,084	670,964	1,607,237	27,508	3,999,538
Normal and Quota Rates															
Ad Valorem															
Under 2%															154
2% and under 3%	10,107	2,910		43	217	36,069	49,345	167,278	296,332	264,652	830,289	887,923	809,616	82,649	3,002,536
3% and under 7.5%	9,969	1,623		29	40	25,265	37,065	6,606	50,067	24,650	96,868	77,968	173,175	3,997	440,597
7.5% and under 10%	7	341				1,222	1,571	63	1,332	117	2,981	116	6,056	30	15,281
10% and under 12.5%	10,617	5,607			2,342	82,726	101,289	5,108	14,455	14,332	46,183	88,212	64,056	7,810	352,260
12.5% and under 15%	404	54			13	1,516	1,987	2,085	1,338	3,127	15,266	21,359	16,937	233	68,996
15% and under 17.5%	49,372	5,137		1	331	122,056	177,147	22,749	67,872	48,432	158,872	91,772	162,366	13,973	666,131
17.5% and under 20%	271	150		2	1	1,170	1,633	5,039	18,663	6,632	36,093	37,415	31,061	1,921	115,257
20% and under 22.5%	49,292	8,755		0	582	109,150	167,760	45,162	72,246	59,599	200,521	317,632	232,313	10,990	999,304
22.5% and under 25%	966	1,184			5	10,911	13,066	504	3,380	735	5,973	11,165	19,065	208	31,590
25% and under 27.5%	13,919	31,207		16	38	89,227	119,507	59,679	134,054	109,042	348,191	435,416	331,191	12,378	1,316,050
27.5% and under 30%	91	1,265			0	2,195	3,553	164	2,063	579	2,798	842	2,896	314	10,459
30% and under 32.5%	26,643	6,303		381	337	101,621	135,082	31,555	51,032	52,553	217,761	176,000	210,911	13,394	797,534
32.5% and under 35%	133	223			10	25,255	25,672	3,102	11,144	6,166	38,032	7,442	19,740	2,024	95,464
35% and under 37.5%	19,824	8,544		0	29	71,284	99,702	23,423	15,604	14,655	45,168	291,721	144,509	2,083	508,006
37.5% and under 40%	69	410			1	3,254	3,735	36	183	555	857	568	143	72	5,546
40% and under 42.5%	6,556	4,376			50	62,985	73,968	2,201	10,120	4,785	33,138	42,834	29,640	4,205	192,647
42.5% and under 45%	265	172				1,167	1,625	2	28	18	67	72	169	1	1,086
45% and under 47%	1,832	5,674			31	48,120	55,677	457	1,350	1,076	9,029	863	1,691	1,833	69,591
47% and under 5%	191	206				2,021	2,417	33	1,006	41	1,370	381	585	122	4,917
5% and over	5,454	25,026			107	85,673	116,270	14,265	20,074	75,744	127,826	264,015	13,923	2,956	540,104
Total Normal and Misc. Ad Valorem Rates	206,084	89,233		472	4,336	878,895	1,179,000	389,387	732,205	684,620	2,210,260	2,149,544	2,165,287	89,611	9,256,467
Normal and Quota Non-Ad Valorem Rates	42,933	16,772		15	1,916	76,103	137,136	19,155	53,236	18,829	169,086	36,045	115,260	15,311	535,521
Total Normal & Quota	249,017	106,005		486	6,252	954,998	1,316,736	408,542	805,941	703,448	2,379,346	2,185,589	2,280,547	104,922	9,792,988
Total Ad Valorem Rates	237,861	94,200		470	6,333	1,051,728	1,390,613	540,377	1,123,831	921,178	3,285,081	3,181,094	3,395,808	127,233	13,237,933
Total other than Ad Valorem Rates	42,962	16,772		15	1,914	76,210	137,873	19,199	55,866	18,956	174,912	34,524	119,425	15,829	564,733
Total dutiable clearances	280,824	110,972		505	8,167	1,128,338	1,528,606	559,576	1,179,717	1,016,975	3,459,993	3,216,633	3,497,653	126,762	13,792,526
Total	1,507,516	280,912		70,030	19,716	4,051,316	5,939,690	779,081	1,636,312	1,543,549	4,760,618	4,464,529	5,222,718	365,425	22,662,983

(a) Portugal not included in EFTA

IMPORTS FROM AUSTRALIA INTO NEW ZEALAND

<u>Duty Rates</u>	<u>Number of Tariff Items</u>	<u>1979-80</u>			<u>1980-81</u>			<u>1981-82</u>		
		\$NZ			\$NZ			\$NZ		
Free	1,547	649,590,551	809,674,256	1,044,664,413						
5%	20	5,279,727	5,094,139	9,549,971						
6% - 30%	770	214,076,491	213,716,363	291,560,858						
Over 30%	42	12,255,814	3,034,135	3,089,829						
Parts (Items which depend on other items for their rates)	16	3,478,060	4,558,845	6,559,556						
SPECIFIC	104	4,321,959	7,555,945	10,159,340						
TOTALS	2,499	889,002,602	1,043,633,683	1,365,583,967						

IMPORTS FROM CANADA INTO NEW ZEALAND

<u>Duty Rates</u>	<u>1979-80</u> \$(NZ)	<u>1980-81</u> \$(NZ)	<u>1981-82</u> \$(NZ)
Free	74,172,895	107,965,038	120,140,090
5%	2,648,693	127,069	4,930,803
6% - 30%	15,350,924	14,424,767	18,504,147
Over 30%	857,509	767,756	1,740,699
Parts (Items which depend on Other items for their own rates)	238,288	365,795	1,214,075
Specific	411,450	1,187,677	1,920,690
Motor Vehicles imported under NZ/Canada Trade Agreement	1,222,736	548,200	648,643
TOTALS	94,902,495	125,386,302	149,099,147

IMPORTS FROM DEVELOPING COUNTRIES INTO NEW ZEALAND

<u>Duty Rates</u>	<u>1979-80</u> \$(NZ)	<u>1980-81</u> \$(NZ)	<u>1981-82</u> \$(NZ)
Free	1,144,817,683	1,337,895,136	1,441,125,408
5%	4,490,769	6,149,867	8,496,661
6% - 30%	66,729,206	93,392,313	151,393,821
Over 30%	18,089,749	13,870,100	22,570,708
Parts (Items which depend on Other items for their rates)	734,739	1,422,815	3,297,056
Specific	1,092,082	1,148,933	2,651,668
TOTALS	1,235,954,228	1,453,879,164	1,629,535,322

R.2

E11

Reference no.	Statistical		Goods	Rate
	Code	Unit		
1 - - -			Beer, other than beer that, under Departmental By-laws, is to be treated as having been produced for non-commercial purposes	\$0.63 per litre
	1x	1		
2 - - -			Spirits -	
2 A - -			Brandy, distilled wholly from wine, the fermented juice of fresh grapes, by a pot-still or similar process at a strength at which the brandy does not contain more than 83 per centum by volume of alcohol matured by storage in wood for a period of not less than two years, and certified by an officer to be pure brandy	\$16.69 per litre of alcohol
	14	1 al		
2 B - -			Blended brandy, distilled wholly from wine, the fermented juice of fresh grapes, and containing not less than 25 per centum by volume of pure spirit (which has been separately distilled from wine, the fermented juice of fresh grapes, by a pot-still or similar process at a strength at which the pure spirit does not contain more than 83 per centum by volume of alcohol), the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be brandy so blended and matured	\$16.69 per litre of alcohol
	10	1 al		
2 C - -			Apple brandy, distilled wholly from apple cider and brandies distilled from other approved fruit juices by a pot-still or similar process at a strength at which the apple or other brandy does not contain more than 83 per centum by volume of alcohol, matured by storage in wood for a period of not less than two years, and certified by an officer to be pure apple or pure fruit brandy	\$19.56 per litre of alcohol
	17	1 al		
2 D - -			Whisky, distilled wholly from barley malt by a pot-still or similar process at a strength at which the whisky does not contain more than 83 per centum by volume of alcohol, matured by storage in wood for a period of not less than two years, and certified by an officer to be pure malt whisky	\$19.56 per litre of alcohol
	13	1 al		
2 E 1 -			Australian blended whisky, distilled partly from barley malt and partly from other grain, containing not less than 25 per centum by volume of pure barley malt spirit (which has been separately distilled by a pot-still or similar process at a strength at which the pure barley malt spirit does not contain more than 83 per centum by volume of alcohol), the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be whisky so blended and matured	\$19.56 per litre of alcohol
	14	1 al		
2 E 2 -			Blended whisky, n.e.i., distilled partly from barley malt and partly from other grain, containing not less than 25 per centum by volume of pure barley malt spirit (which has been separately distilled by a pot-still or similar process at a strength at which the pure barley malt spirit does not contain more than 83 per centum by volume of alcohol), provided that the blended whisky contains not less than 15 per centum by volume of Australian pure barley malt spirit and contains not more than 20 per centum by volume of spirit upon which import duty has been paid, the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be whisky so blended and matured	\$19.56 per litre of alcohol
	19	1 al		

EXCISE TARIFF

£ 12

Reference no.	Statistical		Goods	Rate
	Code	Unit		
2 F - -			Rum, distilled wholly from sugar, sugar syrup, molasses, or the refuse of sugar cane, by a pot-still or similar process at a strength at which the rum does not contain more than 83 per centum by volume of alcohol, matured by storage in wood for a period of not less than two years, and certified by an officer to be pure rum	\$19.56 per litre of alcohol
	16	l al		
2 G - -			Blended rum, distilled wholly from sugar, sugar syrup, molasses, or the refuse of sugar cane, containing not less than 25 per centum by volume of pure spirit (which has been separately distilled from sugar, sugar syrup, molasses, or the refuse of sugar cane, by a pot-still or similar process at a strength at which the pure spirit does not contain more than 83 per centum by volume of alcohol), the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be rum so blended and matured	\$19.56 per litre of alcohol
	17	l al		
2 H - -			Gin, distilled from barley malt, grain, grape wine, apples, or other approved fruit, and certified by an officer to be pure gin	\$19.56 per litre of alcohol
	19	l al		
☆ 2 J - -			Spirit for fortifying Australian wine or for fortifying Australian grape must, subject to regulations	\$1.50 per litre of alcohol
	48	l al		
2 M - -			Spirit for industrial or scientific purposes, n.e.i., subject to regulations	Free
	25	l al	+ for use in the manufacture of vinegar	
	36	l al	+ for use in the manufacture of essences	
	47	l al	+ for use in the manufacture of scents and toilet preparations	
	58	l al	+ other	
2 N - -			Methylated spirits, subject to regulations	Free
	10	l		
2 O - -			Spirits, n.e.i.	\$20.08 per litre of alcohol
	17	l al		
2 P - -			Spirit for scientific or educational purposes, subject to regulations -	Free
2 P 1 -			For use in Universities	Free
	18	l al		
2 P 2 -			For use in approved Technical Colleges or other educational institutions prescribed by Departmental By-laws	Free
	12	l al		
2 Q - -			Spirit for use in public hospitals, or for use in the manufacture of medicinal preparations for use in public hospitals and universities, subject to regulations	Free
	1X	l al		
2 R - -			Denatured ethanol for use as a fuel in internal combustion engines, as prescribed by Departmental By-laws	Free
	16	l al	Feedstock:	
	27	l al	+ cane sugar	
	38	l al	+ beet sugar	
	49	l al	+ cassava	
	5X	l al	+ fruit	
	60	l al	+ grain	
	71	l al	+ waste materials	
			+ other	

EXCISE TARIFF

R.1

Reference no.	Statistical		Goods	Rate
	Code	Unit		
☆ 5 A - -			Liqueurs, as prescribed by Departmental By-laws	\$19.56 per litre of alcohol
	19	l al		
☆ 5 B - -			Liqueurs, n.e.i.	\$20.08 per litre of alcohol
	15	l al		
☆ 5 C - -			Spirituous liquors, as prescribed by Departmental By-laws	\$19.56 per litre of alcohol
	22	l al	+ vodka	
	33	l al	+ ouzo	
	44	l al	+ other	
☆ 6 - - -			Tobacco (other than tobacco delivered under item 8 and sub-item (A) of item 9 of this Schedule)	\$20.10 per kilogram
	10	kg	+ fine-cut	
	21	kg	+ pipe	
	32	kg	+ other	

☆ Items 3A and 3B omitted

☆ Operative from EST 23/3/83

EXCISE TARIFF

Reference no.	Statistical		Goods	Rate
	Code	Unit		
☆7 - - -			Cigars (other than cigars delivered under sub-item (A) of item 9 of this Schedule)	\$30.98 per kilogram
	19	kg	+ not exceeding 2 kg per 1 000	
	2X	kg	+ exceeding 2 kg per 1 000 but not exceeding 5 kg per 1 000	
	30	kg	+ exceeding 5 kg per 1 000	
☆8 - - -			Cigarettes (other than cigarettes delivered under sub-item (A) of item 9 of this Schedule); fine-cut tobacco suitable for the manufacture of cigarettes (other than goods delivered under item 6 and sub-item (A) of item 9 of this Schedule)	\$30.98 per kilogram
	17	kg	+ cigarettes	
	28	kg.	+ fine-cut tobacco suitable for the manufacture of cigarettes	
☆9 - - -			Snuff (other than snuff delivered under item 9A in this Schedule)	\$2.92 per kilogram
	26	kg		
9 A - -			Tobacco, cigars, cigarettes and snuff, being goods for use in a medical or other scientific research programme approved by the Minister, and delivered with the approval of the Minister	Free
	11	kg		
10 A - -			Articles being the property of the Commonwealth Government not being for purposes of trade	Free
	.	.	.	

* The entry is to show, in addition to the operative tariff item, the tariff item under which the goods would be classifiable and the appropriate statistical code and unit, if any, as set out in the key opposite that item ☆Operative 8pm EST 23/5/93

EXCISE TARIFF

R.3

Reference no.	Statistical		Goods	Rate
	Code	Unit		
10 A A			- Goods that, at the time they are entered for home consumption - (a) are owned by an authority or body established for a purpose of the Commonwealth by or under an Act; and (b) are not intended to be used for purposes of trade, as prescribed by By-law	Free
	*	*	*	
10 B -			Articles which are owned (prior to clearance for home consumption) by, and are for the personal or official use of -	
10 B 1			- The Governor-General or any member of his family	Free
	*	*	*	
10 B 2			- A member of the staff of the Governor-General, provided that the member is not an Australian citizen	Free
	*	*	*	
10 C -			Articles which are owned (prior to clearance for home consumption) by, and are for the personal or official use of -	
10 C 1			- A State Governor or any member of his family	Free
	*	*	*	
10 C 2			- A member of the staff of a State Governor, providing that the member is not an Australian citizen	Free
	*	*	*	

☆

* The entry is to show, in addition to the operative tariff item, the tariff item under which the goods would be classifiable and the appropriate statistical code and unit, if any, as set out in the key opposite that item. Items 10D, 10E omitted Specative 5/5/33

EXCISE TARIFF

E16

Reference no.	Statistical		Goods	Rate
	Code	Unit		
10 F -			Goods, as prescribed by by-law, that are (a) for the official use of an international organisation established by agreement between Australia and another country or between Australia and other countries; or (b) for the official or personal use of an official of an international organisation referred to in paragraph (a)	Free
11 A -			Gasoline and other petroleum or shale spirit, having a flash point of less than 23° Celsius when tested in an Abel Pensky closed test apparatus, not being goods falling within Item 17(B):	
11 A 1 -			- As prescribed by Departmental By-laws	Free
	20 31	1 1	+ aviation gasoline + other	
11 A 2 -			- Produced from shale mined in Australia	Free
	14	1		
11 A 3 -			- N.E.I. -	
11 A 3 a			- - For use in aircraft, as prescribed by Departmental By-laws	\$0.07358 per litre
	12	1		
11 A 3 b			- - Other	\$0.09027 per litre
	27 38	1 1	+ aviation gasoline + other	
11 B -			Mineral turpentine -	
11 B 1 -			- As prescribed by Departmental By-laws	Free
	16	1		
11 B 2 -			- Produced from shale mined in Australia	Free
	10	1		
11 B 3			- N.E.I.	\$0.09027 per litre
	15	1		

* The entry is to show, in addition to the operative tariff item, the tariff item under which the goods would normally be classifiable and the appropriate statistical code and unit, if any, as set out in the Lay opposite that item

R. 5

E17

Reference no.	Statistical		Goods	Rate
	Code	Unit		
11 C - -			Coal tar and coke oven distillates, aromatic hydrocarbons and light oils consisting principally of aromatic hydrocarbons (not being petroleum or shale products), suitable for use as gasoline substitutes and having a flash point of less than 23° Celsius when tested in an Abel Pensky closed test apparatus -	
11 C 1 -			- As prescribed by Departmental By-laws	Free
	12	1		
11 C 2 -			- N.E.I.	\$0.09027 per litre
	28	1		
11 D - -			Kerosene for use in aircraft	\$0.06978 per litre
	14	1		
☆ 11 E - -			Goods, as follows:-	
☆ 11 E 1 -			Lighting kerosene	\$0.01872 per litre
	37	1		
☆ 11 E 2 -			Power kerosene	\$0.01872 per litre
	31	1		
☆ 11 E 3 -			Heating oil	\$0.01872 per litre
	36	1		
☆ 11 E 4 -			Fuel oil	\$0.01872 per litre
	2X	1		
☆ 11 E 5 -			Automotive diesel oil	\$0.09027 per litre
	24	1		
☆ 11 E 6 -			Industrial diesel fuel	\$0.09027 per litre
	29	1		
☆ 11 E 7 -			Marine diesel fuel	\$0.09027 per litre
	23	1		
11 F - -			Gasoline referred to in sub-paragraph (b) of paragraph (3) of sub-item (A) of this item mixed with ethanol specified in sub-item (R) of item 2 -	
	17	1	- That gasoline	\$0.09027 per litre
	28	1	- That ethanol	Free
13 A - -			Goods for the Government of a country other than Australia and for the official use of that Government, as prescribed by Departmental By-laws	Free
	•	•	•	
13 B - -			Goods for use by or sale to persons covered by a Status of Forces Agreement between the Government of Australia and the Government of another country, as prescribed by Departmental By-laws	Free
	•	•	•	

* The entry is to sh. , in addition to the operative tariff item, the tariff item under, which the goods would normally be classifiable. ☆ Operative Spa ES: 29/5/

EXCISE TARIFF

E 18

Reference no.	Statistical		Goods	Rate
	Code	Unit		
16 - - -			Wine produced from grapes other than fresh grapes; wine produced from fresh grapes and containing added sugar in any form (otherwise than in the form of concentrated grape must produced from fresh grapes), added honey, added glucose, or any other added sweetening matter prescribed by Departmental By-laws, but not being- (a) natural or artificial sparkling wine; (b) vermouth; (c) wine to be used in the manufacture of liqueurs, cocktails or wine cordials; or (d) wine that, under Departmental By-laws is to be treated as medicated wine	\$0.46 per litre
	1X	l		
17 A - -			Stabilised crude petroleum oil:	
17 A 1 -			- As prescribed by Departmental By-laws	Free
	19	l		
17 A 2 -			- Other	\$199.97 per kilolitre
	13	kl		
17 B - -			Liquid petroleum obtained from naturally occurring petroleum gas:	
17 B 1 -			- As prescribed by Departmental By-laws	Free
	15	l		
17 B 2 -			- For use in admixture with refinery gasoline as fuel in internal combustion engines	\$0.08655 per litre
	1X	l		
17 B 3 -			- Other:	
17 B 3 a			- - As prescribed by Departmental By-laws	Free
	18	l		
17 B 3 b			- - Other	\$0.0189 per litre
	11	l		
17 C - -			Liquefied petroleum gas obtained from unstabilised crude petroleum oil or from naturally occurring petroleum gas:	
17 C 1 -			- As prescribed by Departmental By-laws	Free
	11	l		
17 C 2 -			- Other	\$48.57 per kilolitre
	16	kl		

R.1

E19

Reference no.	Statistical		Goods	Rate
	Code	Unit		
18 - - -			Ale, porter and other beer, brandy, whisky, rum, gin, liqueurs, tobacco, cigars and cigarettes for consumption by the personnel of sea-going vessels of the Royal Australian Navy or Australian Military Forces when such vessels are in full commission and when consumed on such vessels	Free
19 - - -			Ships' stores, not exceeding a quantity approved by the Collector, for a ship that is not a coasting ship for the purposes of the Customs Act 1901-1968, being stores for use on board the ship by the passengers or crew of the ship and taken on board the ship before the date on which Section 38 of the Excise Act (No. 2) 1968 comes into operation	Free
20 - - -	31 42	tonne tonne	Coal, not being coal the property of a State, as prescribed by Departmental By-laws → home consumption → export	\$0.25 per tonne

* The entry is to show, in addition to the operative tariff item, the tariff item under which the goods would normally be classifiable and the appropriate statistical code and unit as set out in the ...

INFORMATION PAPER ON TARIFF QUOTAS AND
IMPORT LICENSING

This paper provides a brief outline of:

- . the reasons for the existence of quantitative restrictions
- . an explanation of the tariff quota and import licensing systems
- . the administration of the systems
- . the goods subject to controls
- . it also provides details of the additional concessional facilities available under the Developing Country Quota scheme and the Spartecca agreement

Administration

The Quota Control Branch of the Department of Industry and Commerce, Canberra, ACT 2600 is responsible for the administration of quota controls imposed by the Government.

Purpose of Controls

Quantitative restrictions are now used occasionally to provide assistance to Australian industries threatened with, or experiencing disruption from, competition from imported goods. Quantitative restrictions take the form of Tariff Quotas or Import Licensing, collectively referred to as quota controls.

Background

Quota controls are not a recent development but have been used at various times since the 1940s for a variety of purposes including the regulation of imports, to maintain essential supplies, to conserve foreign exchange and to provide protection for expanding manufacturing industries. Controls for these purposes were mostly phased out by the late 1960s.

Recent Developments

The effects of the world wide recession in the early 1970s necessitated the imposition of controls over particular commodities in order to protect employment and investment in important Australian industries including the motor vehicle industry and the clothing, textile and footwear industries.

Motor Vehicles will be subject to import licensing until 1 January 1985, when a tariff quota system will be introduced which will operate until the end of 1992. The Industries Assistance Commission (IAC) will be requested to review the assistance programme to the industry in 1990.

In respect to the clothing textiles and footwear industries, the present tariff quota programme commenced on 1.1.82 and will continue for seven years. This programme will apply to the bulk of finished textiles, clothing and footwear products.

The Need for Assistance

An Australian industry (or manufacturer) concerned that trade is being disadvantaged by import competition may lodge a request seeking protection, with the relevant area of the Industry and Commerce department having responsibility for the particular industry involved.

Public Inquiry

If initial Government investigation indicates the request is justified the Minister for Industry and Commerce may refer the matter to the Industries Assistance Commission (I.A.C.) or the Temporary Assistance Authority (T.A.A.) for independent inquiry and report.

Public inquiries are conducted by the I.A.C. However, if the matter is urgent the inquiry will be conducted by the T.A.A. which must report within 45 days on request for interim assistance pending further report by the I.A.C.

During the course of inquiries, evidence may be tendered in public by interested parties including manufacturers, importers, Customs agents, consultants, etc. or written submissions may be lodged. Arrangements can be made for information to be submitted in confidence to the relevant authority.

After detailed investigation and examination for the assistance requirements of an industry, the relevant authority prepares a report containing recommendations to the Government. In most instances, a draft report may be released by the I.A.C. to promote public discussion prior to preparation of a final report.

The reports are examined by an interdepartmental committee comprising representatives from relevant Government Departments. The Committee provides the Government with advice on the report prior to a Government decision being made.

Types of Import Controls

Import Licensing

The legal basis for import licensing is the Customs (Import Licensing) Regulations prescribed under the Customs Act. The regulations provide that all imported goods must be licensed apart from those goods which the Minister for Industry and Commerce excepts from the application of the regulations. In practice, the Minister has excepted all goods other than those currently under control. Details are contained in an Exception Notice published in the Commonwealth of Australia Gazette.

- . Licensing is a non-tariff form of protection that imposes an absolute restriction on the quantity, weight or value (as appropriate) of goods that may be imported in a certain period.
- . Goods imported without a licence cannot be entered for home consumption. (Goods in excess of licence quantities may be exported; placed in Bond until a licence can be obtained; or may be subject to seizure as prohibited imports).

Tariff Quotas

- . These provide for goods to be imported and entered for home consumption at the normal rate of Customs duty for quantities up to the level of a specified ceiling nominated for a particular period.

NOTE : The quota ceiling is the value/volume of goods set by the Government as being the maximum limit that may be entered for home consumption at quota by-law rates of duty by quota holders during a quota period.

- . By-laws in respect of quota goods are made under s.271 of the Customs Act and Ministerial Determinations are issued under s.273 of the Customs Act.
- . Additional duties are applied by tariffs on goods entered for home consumption by importers outside the quota arrangements. Such duties are commonly known as penalty duties.
- . Unlike import licensing there is no prohibition on the importation of goods outside of quota arrangements.
- . Tariff quotas are usually applied on a global basis.

Developing Country (DC) Quotas

These quotas provide for the importation of certain goods from Developing Countries at special concessional rates of duty. Specified quantities of particular commodities are admitted into Australia at rates of duty lower than General Tariff rates provided that such imports do not cause or threaten injury to Australian industry.

The commodities and import levels are reviewed each year by the Departments of Trade and Industry and Commerce. Applications for quota are invited annually by Australian Customs Notice. The quota period is from 1 July to 30 June the following year.

Sparteca (Forum Island Countries) Quotas

- . The South Pacific Trade and Economic Co-operation Agreement (Sparteca) provides for concessional treatment of imports from Island Member Countries of the South Pacific Forum

- . In commodities where the quantity of goods available for concessional entry is limited, the goods are covered by quota by-laws incorporated in the Consolidated Customs By-law References (CBR's) pages.
- . Whilst these concessions are administered as tariff quotas, they are not limited to specific importers and may be used by any importer until the available ceiling is exhausted. Imports above ceiling may then be made at D.C. rates of duty.

ANZCER

Under the Australia and New Zealand Closer Economic Relations arrangements, additional quota is made available for N.Z. footwear and textiles. The quota is allocated through the Tender Quota Scheme

Announcement of Controls

The general terms of the relevant Government decision to impose quota controls are announced in the form of a Ministerial Press Statement. Subsequently, the Department of Industry and Commerce issues an Australian Customs Notice containing details of administrative arrangements to apply to the goods concerned for the information of importers, Customs agents and other interested parties. These Notices are obtainable from Customs Houses in all States or from the Department of Industry and Commerce in Canberra. The imposition of quota controls on new commodities is usually announced in the media.

Basis for Allocation

The basis for allocation of quota (throughout the remainder of this text, unless the contrary intention appears, a reference to the term quota is to be read as including the term import licensing) to individual importers is generally in direct proportion to imports of the goods entered for home consumption in a previous importing period specified by the Government. This is referred to as the previous import performance period (PIP).

Base Quota Allocation for Textiles, Clothing and Footwear (1982 and subsequent years until and including 1988)

The proportion of quotas to be allocated on the basis of previous import performance is 85% of initially established quota levels. The quota levels were determined by the Government on the basis of the total imports of the particular goods during the twelve months ended 30 June 1980.

Importers' individual entitlements to this quota are determined on the basis of their imports in the two years ending 30.6.1980. Goods correctly entered for home consumption during that period are eligible for previous import performance in the relevant quota category.

DC quota Allocations are made at three levels; the first level takes into account importers' usage of a previous year's quota. The second level also takes into account imports at General Tariff rates in the same year, while at the third level any remaining quota may be allocated to new importers who have placed firm orders overseas. The period in which previous imports are taken into account moves forward by one year each year.

Applications for Quota

The Australian Customs Notice relating to specific commodities requires importers to lodge an application for quota by a nominated date. Applications for quota are submitted to the Department of Industry and Commerce, Quota Control Branch, Canberra ACT 2600.

After the Quota Control Branch verifies each application, the import performance of all importers is totalled and proportioned to the Government set quota ceiling to arrive at a percentage factor. This factor is applied to each applicant's previous import performance to arrive at an entitlement for consideration of an allocation of quota.

Quota Periods

It is not always possible to afford advance notice of the introduction of quotas because of the timing of reports and the likelihood of uncertainty in relation to level of imports and local production. However, the Government has indicated that as much advance notice as possible will be given in relation to entitlements to be allocated in subsequent quota periods to allow purchasing/shipping to be arranged.

Quotas for textiles, clothing, footwear and passenger motor vehicles are issued on a calendar year basis and have 12 months validity during which time goods may be entered for home consumption against that quota.

Transferability

In order :

- . allow genuine importers to enter the market
- . provide for shifts in trade
- . permit greater flexibility in the use of quota

the Government has provided for quotas to be transferred between parties.

All applications for transfer must be submitted to the Quota Control Branch, Department of Industry and Commerce, Canberra ACT 2600.

Swings

In order to provide a degree of flexibility within the quota system, provision has been made for importers to "Swing" quota from some particular quota categories to others, e.g. from machine made goods to handicrafts or parts quota.

Tender Quota (Clothing, Textiles and Footwear)

As from 1 January 1982, a proportion of the quota equal to 15% of the initially established quota ceiling, has been allocated by a tender scheme under Part XV of the Customs Act 1901. This proportion will be increased annually by a predetermined liberalisation factor combined with the assessed market growth. For tender purposes, certain quota categories have been amalgamated.

Individuals or companies must be registered to be eligible to tender. Successful tenderers are liable to penalties provided by the Customs Securities (Penalties) Act 1981 and the Customs Undertakings (Penalties) Act 1981 should they fail to meet the requirements of the tender scheme.

Details of the tender quota scheme arrangements can be obtained from the Quota Tender Section.

Publication

Details of the names, addresses and quota allocations to holders of base quota and tender quota and also details of transfers of quota are published periodically in special Commonwealth of Australia Gazettes.

Quota Categories

A list of the goods currently subject to quota controls is set out hereunder:

Goods subject to Import Licensing and Tariff Quotas

A. Textiles, Clothing and Footwear

- Knitted or crocheted coats, jumpers, cardigans, sweaters and tube tops
- Shirts and blouses
- Coats and jackets
- Trousers and overalls
- Shorts and male swimwear
- Women's, girls' and infants' swimwear
- Dresses, dressing gowns, shave coats, kimonos, bathgowns, nightdresses, and nightshirts

- Sets of garments, suits, tracksuits, and rompersuits
- Male pyjamas
- Undergarments for men and boys
- Panties for women, girls and infants
- Brassieres
- Corsets, girdles, panty girdles, corselettes and body suits
- Garments of artificial plastic material of rubber and textile fabrics
- Tights, panty hose, socks, ankle socks and sockettes
- Footwear
- Terry towelling, towels and babies napkins
- Bed linen
- Curtains
- Sleeping bags
- Cotton sheeting
- Woven fabrics of man-made fibres

B. Steel

- Hot-rolled products of iron or steel
- Cold-rolled products of iron or steel
- Hoop, strip, sheets and plates of iron or steel
- Hot-rolled alloy steel
- Tubes and pipes of stainless steel
- Welded tubes and pipes of iron and steel
- Seamless tubes and pipes of iron or steel

C. Developing Country

- Sugar confectionery
- Rubber tyres, tyre cases inner tubes and interchangeable tyre flaps
- Twine, cordage, ropes and cables and articles made therefrom

- Tarpaulins, awnings, sunblinds tents and camping goods
- Sunshades or umbrella covers
- Ceramic sanitary ware
- Refrigerators
- A.C. Motors
- Electric current rectifying assemblies
- Domestic fans
- Certain relays
- Connectors, ceiling roses, wall plugs and sockets, fuses, adaptors, lightning arrestors, moulded lamp-holders and other apparatus for making and breaking electric circuits
- Certain insulated electric wires, cables, bars and strip
- Ships and boats not exceeding 150 tons gross register
- Frames for spectacles and goggles
- Slide and film strip projectors
- Loaded cartridges
- Chairs
- Domestic furniture
- Canned Ham
- Builders carpentry and joinery

D. Forum Island Quota Commodities

- Interior grade plywood
- Blockboard
- Passionfruit pulp & juice
- Caribbean pine
- Plastic film and bags
- Matches
- Reconstituted wood

E. Miscellaneous

- Passenger Motor Vehicles (I/L)
- Used, secondhand or Disposals Earthmoving, excavating equipment, tractors, road rollers, Materials Handling Equipment and Four Wheel Drive Vehicles and trucks and stackers (I/L).

(Note: I/L = Import Licensing)

Quota Control Branch
Department of Industry and Commerce
Canberra ACT 2600

September, 1983

Attachment 13

REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

AUSTRALIA

The following notification has been received from the delegation of Australia in response to the questionnaire on import licensing procedures annexed to document L/5106/Rev.1. It comprises two sections with the relevant information on:

1. Customs (Import Licensing) Regulations, covering industrial products (pages 1 to 6); and
2. Customs (Prohibited Imports) Regulations, covering narcotic drugs and certain psychotropic substances (pages 6 to 11).

The present revision replaces the data previously made available to contracting parties in document L/5108 and Corr.1.

1. Customs (Import Licensing) Regulations covering industrial products

Outline of system

1. - Import licensing in Australia applies only in respect of designated goods (see question 2), the majority of which have been placed under quantity control on a short-term basis as an emergency protective device where industry has been found through public enquiry to be in need of urgent assistance.
- A few commodities are controlled on a longer-term basis without restriction on quantity where the allocation of licence is related to domestic equivalent availability.
- The system is operated through legislation which requires all goods (other than those excepted by the Minister) to be covered by import licence: the Minister has excepted all goods except those few now controlled.
- The Department of Industry and Commerce (Australian Customs Service) is responsible for the administration of the system.
- The power to impose quantitative restrictions on additional products is vested in the Minister or his delegate.

Purposes and coverage of the licensing

- 2/3. - All licensing restrictions are imposed as a protection to Australian industries.
- All licences are issued by the Department of Industry and Commerce (Australian Customs Service).
- Goods covered and origin concerned are:

<u>Goods</u>	<u>Origin</u>
Used, secondhand or disposals earthmoving or excavating vehicles, machinery or equipment, tractors, roadrollers, materials handling equipment and parts thereof	Global
Used, secondhand or disposals four-wheel drive vehicles excluding public service type passenger vehicles	Global
- Passenger motor vehicles (C.B.U.) ¹	Global

- There are generic exemptions from the above:
 - . Non-commercial importations up to \$A 100
 - . Goods from an Australian territory
- 4. - Intention of all licensing is to restrict quantities imported as an assistance to recovery of local industry.
- In general licensing has been introduced only where other restraint measures have been considered to be inappropriate or ineffective.
- 5. - Import licensing is maintained under the Customs (Import Licensing) Regulations (statutory requirement).
- Decision to apply licensing is at ministerial level but generally follows governmental decision.
- The system may be abolished without legislative approval but would only be so abolished with the full agreement of the Government.

¹The Government has decided that import licensing controls will cease after 1984 for passenger motor vehicles and will be replaced by a system of tariff quotas.

Procedures

- 6(a) - Licensing imposition announced by Ministerial press statement, followed by detailed explanation through public Australian Customs Notice.
- The overall quantity to be admitted is publicized.
 - There is no mandatory allocation of licences between different origins (importers are free to nominate source).
 - Allocations to individual importers are publicized. Names and addresses of licence holders and quantities are published in a Government Gazette available to the public. A decision has also been taken by the Government to publicize in the Gazette details of units of licensing entitlement held by individual importers and details of transfers of entitlement.
- (b) - Governmental decision following public inquiry fixes the overall quantity admissible, generally for a period of one year initially.
- A re-examination of the industry situation will normally be made before the end of the first year if licensing for a second year is contemplated.
 - Allocation of licences to importers is generally on a twelve-monthly basis. It is necessary for importers to apply for allocation after initial period.
- (c) - Allocation of licences is to established importers in proportion to relevant importations made during a base period, irrespective of whether also a domestic producer.
- There is no compulsion to use the licences issued: unused allocations are not generally carried forward to succeeding period. In the case of passenger motor vehicles, under-utilization will result in the loss of two units of allocation for each one unit not used in the previous allocation year.
 - Names and addresses of licensed importers are published in a Government Gazette available to the public.
- (d) - Generally, twenty-one days is allowed for application for licences following imposition announcement.

- (e) - Applications can be processed in a minimum of twenty-four hours; the maximum is indefinite where the number of importers is high in situations where further information is required from the trade; maximum generally not in excess of three weeks from closing of applications; separate provision is made (minimum delay) for goods in transit and special applications are considered (maximum a few days) for goods arriving prior to licence issue.
- (f) - Where quantity restrictions apply licences for first period of imposition are valid for immediate importation; licences for subsequent periods generally available up to three months before importation period but depending upon industry consideration and/or hardship allocations, the period between issue and import entitlement could be nil.
- (g) - Issue of import licences is solely by the Department of Industry and Commerce (Australian Customs Service).
- (h) - The allocation of licences where quantity restrictions apply is generally on the basis of past import performance. Import licensing on secondhand vehicles and equipment is administered on a case-by-case basis.
 - Licence applications are considered simultaneously but hardship and applications for licences to import secondhand goods are considered as received.
- (i) - Not applicable.
- (j) - No arrangements currently exist for imports to be made on the basis of export permits.
- (k) - Provision to issue this type of licence exists should the need arise.
- 7. - Not applicable.
- 8. - Applications for import licence are only refused on grounds of failure to meet the specified criteria.
 - Applicants are advised of the reasons for any refusal.
 - Right of appeal to the Minister is included in the legislation.

Eligibility of importers to apply for licence

- 9. - There is no restriction on who may apply for a licence.
 - The restriction is on grant of a licence and then only to the extent of the specified criteria.
 - No import licence will be sent to a company or person normally resident outside Australia.

Documentational and other requirements for application of licence

10. - Application form is not generally required for goods under licence control; detail obtained from submission of evidence of base period performance.
 - Where application is required, detail necessary is:
 - . Name and address of applicant
 - . Port of importation
 - . Tariff item
 - . Quantity and full description of goods, including origin
 - . Value for duty of the goods
 - . CIFB and/or weight of the goods
11. - Upon entry of goods subject to import licence, a Customs Entry (Goods Declaration) and invoices are required to be produced.
12. - There is no licensing fee or administrative charge payable.
13. - Not applicable.

Conditions of licensing

14. - The period of validity of a licence is as specified therein.
 - Generally, the period of validity is twelve months with few exceptions according to circumstances of control.
 - Consideration is given to further extension of validity upon request.
15. - Eligibility for future licences is based upon utilization of past allocation. See item 6(c), page 3.
16. - Import licences are not transferable, however licensing entitlement may be transferred.
17. - Other than as specified above, no other conditions attached to the issue of an import licence.

Other procedural requirements

18. - Except for currency exchange control formalities administered through the Reserve Bank of Australia (and its agencies), no other administrative controls apply prior to the importation of goods subject to import licence.
19. - There are not normally any restrictions on payments for imports. It is not necessary for an import licence to be produced before payment is authorized.
 - Australia's trading banks have been authorized to handle the exchange control aspects of the great majority of current transactions and applications for the necessary foreign exchange should be made direct to a trading bank.
 - Australian importers are normally required to make payment not later than six months after the arrival of the goods in Australia. Pre-payments earlier than one month prior to expected arrival date are not normally permitted. Payments outside those limits are allowed where it has been established to the satisfaction of the Reserve Bank that such payments are normal commercial practice in the particular circumstances or for the particular type of goods involved.

2. Customs (Prohibited Imports) Regulations covering narcotic drugs and certain psychotropic substances

Outline of system

1. - Import licensing is used to control the importation of narcotics and certain psychotropic substances into Australia. The system is a two-tiered structure in which an importer must first be licensed and then an import permit must be obtained for every importation of the controlled drugs.
 - In special circumstances, an importer may be licensed for a single importation if certain conditions are satisfied. This enables a university or other institution to import drugs for a specified purpose, although they do not normally hold an import licence. In such cases an import permit is issued and endorsed to constitute a licence for that consignment.
 - These controls ensure that importation is restricted to quantities necessary to meet medical and scientific requirements and that Australia's international obligations and domestic regulations are observed.

Purpose and coverage of the licensing

2. - The licensing system covers all narcotic drugs and certain psychotropic substances. These are listed in the Fourth Schedule of the Customs (Prohibited Imports) Regulations.¹ It includes all of the drugs required to be controlled under the Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, 1971. In addition, a number of other drugs not covered by the Conventions are similarly controlled in Australia.
3. - The system applies to imports of controlled drugs from all countries. Narcotics are only imported from countries which are Parties to the Single Convention on Narcotic Drugs, 1961.
4. - The use of import licences and permits enables the Government to restrict and monitor the quantities of the controlled drugs imported. By monitoring imports, the origin, quality, quantity and end-use of drugs can be checked. Restricting imports to the level required for legitimate medical and scientific use is one means of protecting the public health and welfare of the population from over-supply, diversion and abuse of controlled drugs. The system is based on the requirements of the international treaties.
5. - The Customs Act 1901; Customs (Prohibited Imports) Regulations.
 - Licensing of importers is a statutory requirement under the above regulations.
 - The drugs subject to licensing control are determined by statutory rules.
 - The system cannot be abolished without legislative approval.

Procedures

- 6(a) - Allocation of quotas for narcotics are not published. Each year licensed importers are invited to nominate their annual requirements. The quota allocated is based on the quantities imported by each holder of a quota in previous years and the expected medical demand. Importers are advised of the quotas allocated to them. A new licensed importer may be granted a quota if it is appropriate to the existing circumstances. Details of

¹A copy of this document is available for consultation in the GATT secretariat (Centre William Rappard, office No. 1073).

quotas are not made available to exporting countries. Estimates of narcotic consumption, and stocks are forwarded to the International Narcotics Control Board (INCB). Similar estimates are forwarded for all drugs listed in Schedule 2, Convention on Psychotropic Substances. Estimates from all Parties to the international Conventions are published in United Nations documents.

- (b) - Quotas are determined annually. Quantities imported are reviewed with every application for an import permit. Additional quotas may be issued if the quota holder can demonstrate that the original quota is insufficient.
- (c) - Import permits are only issued to licensed importers. To be a domestic producer is not a requirement for a licence. If an import permit is not used within the specified time, it lapses. Unused allocations are not added to quotas for succeeding periods. The names of licensed importers would be disclosed on request, but not their quota allocations.
- (d) - Not applicable; individual determinations are made for licences and permits.
- (e) - In urgent situations an import permit can be issued immediately. (This can also constitute a licence in special circumstances - see question 1 above.) Applications for import licences and import permits are reviewed as they are received. An import permit is usually issued within two or three days.
- (f) - Import licences are valid for a finite period usually five years. Import permits are usually valid for six months. This can be extended if necessary. Import permits for narcotics issued after 30 June are only valid until 31 December.
- (g) - All applications for import licences and import permits for controlled drugs are forwarded to the Drugs of Dependence Branch, Commonwealth Department of Health. When an application for an import permit involves the importation of a new drug, new formulation, etc. approval must first be obtained from the Therapeutic Goods Branch, and if necessary, Quarantine Division, Department of Health. The applicant must obtain this approval before a permit is issued.
- (h) - Licences are issued on the basis of normal trade requirements. Applicants are approved if they meet specified conditions including previous history in the market, security provisions, record keeping, State approval, etc. Import permits are issued to

licensed importers as required, within quota limits, based on medical and scientific needs. Quotas for narcotics and certain psychotropic substances are set within national estimates submitted to the INCB. The system is flexible enough to allow part of individual quotas to be transferred from one licensee to another and for new licence holders to enter the market.

- (i) - Narcotics covered by an import permit must also be covered by an export permit issued by the appropriate authority in the exporting country. It is a provision of the Single Convention on Narcotic Drugs, 1961, that an export permit is only issued after an import permit is issued. In addition, export permits are also required from exporting countries for drugs covered by the Convention on Psychotropic Substances and certain other specified drugs. (These are listed in the Fourth Schedule of the Customs (Prohibited Imports) Regulations.)
 - (j) - Not applicable.
 - (k) - Yes; when quantities are imported for the purposes of re-export and where such quantities exceed the domestic requirements.
- 7(a) - There is no specified time for an importer to apply for a licence in advance of an importation, but an import permit would not be issued unless the importer is licensed. Similarly, there is no specified time for a licensed importer to apply for an import permit in advance of an importation, but a consignment cannot be imported without a permit.
- (b) - A licence could be issued immediately, but this would not be the usual practice. An import permit can be issued immediately to a licensed importer on request.
 - (c) - No.
 - (d) - Yes; both import licences and import permits are issued by the Director-General, Commonwealth Department of Health.
8. - An import licence is issued subject to certain conditions - see question 10 below. Prior to being issued with a licence applicants must demonstrate that they can comply with these conditions. Reasons for refusal would be given to an applicant. Applicants may appeal against a refusal to issue a licence or against a decision to revoke a licence. Import permits for narcotics may be refused if there is insufficient quota balance, security measures are inadequate or if any of the required conditions are not satisfied. Import permits for other controlled drugs may be refused if the importation is excessive to normal requirements, or if any of the required conditions are not satisfied.

- New drugs or formulations must be approved before a permit can be issued.
- There is no provision to appeal against a decision not to issue or to revoke an import permit.

Eligibility of importers to apply for licence

9. - Yes. Import licences are granted by the Director-General of the Commonwealth Department of Health subject to certain conditions and subject to applicants' meeting specified criteria.
- Import permits are only issued to licensed importers except in special circumstances - see question 1 above. A list of licensed importers is available. There is no registration fee.

Documentational and other requirements for application of licence

10. - An application for a licence must be made in writing to the Director-General, Commonwealth Department of Health, and include information as required. A copy of the regulations is attached. An application for an import permit is made in writing and must include the following:
- Name of importer; address for consignment; number and size of packs; name, pharmaceutical form and strength of drug; name (INN if any); controlled drug content (grams); name of exporter; address of exporter.
11. - The import permit is the required document and in some instances the complementary overseas export permit.
12. - There is no charge for a licence or a permit.
13. - Not applicable for a licence.
- Not required for a permit.

Conditions of licensing

14. - Import licences are valid for a finite period usually five years.
- Import permits are usually valid for six months, but the period can be varied to suit particular circumstances.
15. - There is no penalty for non-use of a licence or permit. However, if a licence is not operated on for a period of approximately three years the licence may be revoked.

- 16. - Licences and permits are not transferable.
- 17. - Licences are issued subject to the holder's meeting certain conditions.
 - Import permits may be endorsed for specific purposes, e.g. for veterinary use only, for re-export only, etc.

Other procedural requirements

- 18. - No.
- 19. - Not applicable.

Attachment 16

TABLE IN53		AUTHORITY TO IMPORT IMPORTS TO JUNE 1983			19/07/83	PAGE 1	
		C.I.F. (1000)					
CCON SECTION	DESCRIPTION	EXEMPT FROM LICENCE	NO REMITTANCE SCHEMES	LICENCED IMPORTS	TOTAL PRIVATE IMPORTS	GOVERNMENT IMPORTS	TOTAL IMPORTS
I	LIVE ANIMALS, ANIMAL PRODUCTS	57.457	3	142	57.601	5	57.606
II	VEGETABLE PRODUCTS	160.957	4	3.023	163.983	21.137	185.120
III	ANIMAL & VEGETABLE FATS, OILS, CLEAVAGE PRODUCTS; EDIBLE FATS; WAXES	29.956	42	1.329	31.327		31.327
IV	BEVERAGES, SPIRITS AND VINEGAR; TOBACCO	162.265	58	51.658	213.981	592	214.572
V	MINERAL PRODUCTS	1,576.767	1	17.463	1,594.231	628	1,594.859
VI	PRODUCTS OF THE CHEMICAL AND ALLIED INDUSTRIES	700.470	1.187	65.039	766.696	5,834	772.531
VII	ARTIFICIAL RESINS & PLASTIC, ESTERS & ETHERS & ART OF; RUBBER FATICE & ART OF	276.265	767	69.566	346.598	2,782	349.380
VIII	RAW HIDES, SKINS, LEATHER, FURSKIN & ART OF; SADDLERY; HANDBAGS ETC; ART. OF GUT	5.462	126	11.076	16.664	37	16.721
XIV	WOOD & ART OF WOOD, CORK; MANU OF STRAW & PLAITING MATERIAL; BASKETWARE ETC.	20.211	27	13.371	33.609	1,676	35.284
X	PAPER MAKING; PAPER AND PAPERBOARD AND ARTICLES THEREOF	153.840	1,940	82.541	238.322	10,928	249.249
XI	TEXTILES AND TEXTILE ARTICLES	410.142	239	73,939	484.320	5,679	489.998
XII	FOOTWEAR, UMBRELLAS, SUNSHADES, WHIPS & PARTS THEREOF; FEATHERS & ART OF;	8,582	54	13,511	22,147	84	22,231
XIII	ART OF STONE, PLASTER, CEMENT, ASBESTOS ETC; CERAMIC PRODUCTS; GLASS & GLASSWARE	53.120	70	35.428	88.618	1,787	90.405
XIV	PEARLS, PRECIOUS & SEMI- STONES, METALS & ART OF; IMITATION JEWELLERY; COIN	17.781	40	11.399	29.221	281	29.502
XV	BASE METALS AND ARTICLES OF BASE METAL	484.839	380	168.827	654.046	32,105	686.151
XVI	MACHINERY AND MECHANICAL APPLIANCES; ELECTRICAL EQUIPMENT; PARTS THEREOF	737.816	4,377	657.545	1,399.738	177,230	1,576.968
XVII	VEHICLES; AIRCRAFT AND PARTS THEREOF; VESSELS AND ASSOC. TRANSPORT EQUIPMENT	221.830	2,805	357.994	582.628	162,261	744.889
XVIII	OPTICAL, PHOTOGRAPHY, MEASURING, MEDICAL APPARATUS; CLOCKS; MUSICAL EQUIP, TV ETC	246.787	183	17,101	264.072	22,746	286.818
XIX	ARMS AND AMMUNITION; PARTS THEREOF	6.305		234	6.539	68,086	74.625
XX	MISCELLANEOUS MANUFACTURED ARTICLES	23.223	87	34.447	57.757	820	58.577
XXI	WORKS OF ART, COLLECTORS PIECES, AND ANTIQUES	13.010		5	13.015	148	13.163
	TOTAL MERCHANDISE TRADE	5,367,086	12,389	1,685,638	7,063,113	514,865	7,579,978
	TOTAL AS A PERCENTAGE OF TOTAL IMPORTS	70.81	0.16	22.24	93.21	6.79	100.00

D1

**** END OF REPORT ****

IMPORT CLEARANCES FROM MAJOR SUPPLIERS/SELECTED REGIONS BY CATEGORY AS AT 31 DECEMBER 1982
VALUE AND PERCENTAGE OF COUNTRY/REGION TOTAL
ALL RESIDUAL MEASURES

COUNTRY OR REGION	VALUE \$'000 f.o.b.							PER CENT		
	1978	1979	1980	1981	1982	1978	1979	1980	1981	1982
BRAZIL	6,763	10,377	10,034	19,056	26,554	11.4	14.1	11.7	11.7	10.4
CHINA P.R.	19,408	36,219	50,695	59,007	61,342	16.1	22.4	23.7	20.4	19.9
FRANCE	13,456	15,590	8,532	13,394	19,061	6.9	5.5	2.8	3.0	3.3
GERMANY F.R.	83,727	80,042	78,205	60,640	100,579	9.8	7.8	7.2	7.1	7.1
HONG KONG	41,406	64,861	69,562	89,402	101,685	13.8	18.8	17.7	20.0	19.5
INDIA	22,696	22,492	21,137	27,339	24,233	23.8	19.9	18.3	23.9	19.0
ITALY	34,787	39,961	37,128	35,810	59,760	12.2	10.1	8.4	8.2	11.2
JAPAN	333,683	364,322	420,722	508,867	672,503	14.1	15.7	13.9	12.7	14.2
KOREA REP.	37,861	37,202	40,202	71,452	84,974	29.8	27.0	23.2	30.7	26.0
MALAYSIA	3,779	5,941	6,226	7,234	6,440	2.9	3.4	3.3	4.0	3.2
NEW ZEALAND	15,390	24,959	28,267	34,801	28,713	4.0	5.1	4.7	5.2	4.0
PHILIPPINES	7,014	12,922	13,767	16,131	15,191	11.0	16.4	16.4	17.9	17.0
SINGAPORE	1,787	4,268	6,182	6,870	8,593	0.8	1.3	1.2	1.2	1.2
SWEDEN	15,741	20,090	26,501	20,687	16,367	8.0	8.0	8.5	6.9	5.0
TAIWAN PROVINCE	60,626	85,563	98,017	122,160	127,350	21.2	22.5	20.4	21.2	19.0
UNITED KINGDOM	44,429	56,842	37,129	38,169	36,267	3.2	3.6	2.3	2.5	2.1
U.S.A.	19,019	29,500	35,800	43,287	33,748	0.7	0.9	0.9	0.9	0.7
OTHER	39,093	65,211	85,549	84,322	42,705	1.6	2.0	2.1	1.8	0.8
TOTAL	800,665	977,340	1,074,415	1,274,828	1,466,065	6.5	6.7	6.1	6.2	6.2
of which										
ASEAN	16,832	30,354	43,824	49,825	40,063	3.0	3.8	3.7	3.9	2.2
CPE - Asia	19,408	36,289	50,660	59,007	61,380	15.9	22.1	23.7	20.4	19.8
- Europe	2,864	4,799	6,375	5,773	5,992	4.7	4.2	7.2	5.3	7.4
EEC 10	178,970	196,661	163,249	172,014	210,257	5.8	5.3	4.2	4.3	4.4
All Developed Countries	591,178	683,470	733,386	831,151	985,293	6.2	6.1	5.7	5.5	5.7
All Developing Countries	209,487	293,869	341,029	443,677	480,773	7.8	8.5	7.2	8.1	7.5

IMPORT CLEARANCES OF GOODS UNDER RESTRAINT MEASURES AS AT 31 DECEMBER 1982

PART A - TARIFF QUOTAS

VALUE \$'000 F.O.B.

Category	Commodity	1979	1980	1981	1982
101	APPAREL	15,016	47,930	56,116	60,396
102	Knitted or crocheted coats, jumpers & cardigans	15,917	19,121	19,121	25,035
103	Knitted or crocheted shirts & blouses	22,648	29,017	28,278	38,051
104	Woven shirts & blouses	5,251	11,192	13,915	14,480
105	Woven coats, jackets etc	1,439	769	916	1,294
106	Leather coats, jackets etc	3,069	5,108	5,307	4,011
107	Male suits and sets excluding trackuits etc	11,958	20,580	25,290	38,892
108	Trousers, jeans and overalls	3,204	4,312	6,334	6,279
109	Shorts, female and male and swimwear male	1,960	2,595	2,674	3,323
110	Women's, girls' and infants' swimwear	15,365	27,985	36,135	29,866
111	Dresses, dressing gowns and nightdresses etc				
112	Certain children's wear - garments, trackuits				
113	sleepwear etc	11,053	19,163	21,248	29,295
114	Woven men's pyjamas	30	1,243	1,501	1,878
115	Other outer garments not being goods of Category				
116	101-112 or 118	11,064	20,984	28,506	26,725
117	Undergarments for men and boys and panties for				
118	women	4,077	3,914	4,301	4,775
119	Other undergarments for women, girls and infants	698	4,039	2,323	2,649
120	Brassieres	3,245	2,049	2,687	4,539
	Corsets, girdles etc	1,016	3,452	2,060	1,963
	Plastic and rubber apparel	2,052	2,775	2,060	965
	Tights and pantyhose < 4.4 tax	677	3,097	1,072	4,436
	Socks, tights and pantyhose > 4.4 tax	4,280	1,199	3,362	4,498
	TOTAL APPAREL	137,299	230,721	279,015	304,293
121	FOOTWEAR				
122	Footwear > \$0.00 per pair, leather uppers >	80,709	92,509	114,911	132,825
123	Footwear > \$1.00 per pair	4,262	5,173	5,179	4,561
	Parts for footwear	85,051	97,762	120,091	137,386
	TOTAL FOOTWEAR				
124	TEXTILES				
125	Towelling and towelling products	9,014	12,213	12,130	14,416
126	Bed linen	1,423	6,901	6,204	6,061
127	Curtains	2,616	3,181	3,757	3,430
128	Sleeping bags with a value for duty < \$30	1,012	1,939	2,198	1,794
129	Bedding	0,304	11,415	17,112	21,420
	Woven man-made fibre fabrics	68,047	120,626	137,174	32,499
	TOTAL TEXTILES	91,095	156,275	178,575	79,620
	TOTAL APPAREL, FOOTWEAR AND TEXTILES	313,445	464,750	578,481	521,291

IMPORT CLEARANCES OF GOODS UNDER RESTRAINT MEASURES AS AT 31 DECEMBER 1982 (cont'd)

PART A - TARIFF QUOTAS

VALUE \$'000 F.O.B.

<u>Category</u>	<u>Commodity</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
74	PLYWOOD Plywood	3,450	5,797	8,596	8,667
301A 302A	IRON AND STEEL PRODUCTS Hot rolled steel products, not high alloy Cold rolled steel products, unworked or simply polished	15,013	16,270	29,163	46,001
303A 304A	Hoop, strip, sheets and plates of iron or steel Hot rolled alloy steel etc - coil, hoop, strip and sheet	29,395 29,162	32,788 34,027	39,371 48,754	46,449 65,643
305A 306A 307A 308A	Tubes and pipes of stainless steel Welded tubes and pipes of iron or steel etc Seamless tubes and pipes other than of stainless steel Other tubes and pipes of iron or steel.	12,249 19,514 3,012 40,644 7,736	38,701 27,253 4,387 50,596 12,739	27,004 27,862 6,539 103,760 29,048	15,191 30,322 10,173 137,925 140,934
	TOTAL IRON AND STEEL	156,525	216,762	311,501	492,639
	TOTAL CLEARANCES UNDER QUOTA	473,420	707,316	898,579	1,022,605

PART B - IMPORT LICENSING

068	Passenger motor vehicles	327,245	367,098	376,249	443,461
	TOTAL ITEMS UNDER RESTRAINT	800,665	1,074,415	1,274,828	1,466,065

NOTE: Figures for category 129 prior to 1982 include import clearances which enter duty-free and quota-free under certain standing fabrics "policy" by-laws.