

1987

PARLIAMENT OF THE COMMONWEALTH  
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CUSTOMS TARIFF (COAL EXPORT DUTY) AMENDMENT BILL 1987

EXPLANATORY MEMORANDUM

(Circulated by the Authority of The Minister for Industry,  
Technology and Commerce, Senator the Honourable John N. Button)



## CUSTOMS TARIFF (COAL EXPORT DUTY) AMENDMENT BILL 1987

### OUTLINE

The Customs Tariff (Coal Export Duty) Amendment Bill 1987 provides for an amendment to the definition of high quality coking coal within the Customs Tariff (Coal Export Duty) Act 1975 (the principal Act).

High quality coking coal for export is subject to coal export duty under the principal Act. Lower grades of steaming coal however, are exempt from such duty.

The proposed amendment in Clause 3 of the Bill corrects the unintended situation whereby the blending of steaming coal for export has brought that blended product within the definition of high quality coking coal and thereby made that product potentially subject to the coal export duty.

### Financial Impact

The proposed amendments in this Bill have no direct financial implications, as they continue the policy intention of the principal Act to not require coal export duty to be paid on other than high quality coking coal.

## NOTES ON CLAUSES

### Short titl , etc

Clause 1 is a formal machinery clause, providing for the citation of this Bill and identifying the Customs Tariff (Coal Export Duty) Act 1975 as the principal Act for the purposes of this Bill.

### Commencement

Clause 2 provides for the Act to be deemed to have come into operation on 16 May 1987, which is the same date of operation as the Customs Tariff (Coal Export Duty) Proposals No. 1 (1987) introduced into the House of Representatives on 29 May 1987. That proposal altered the definition of high quality coking coal in the same terms as this Bill.

### Alteration of definition

Clause 3 amends section 4 of the principal Act to restrict the existing definition of high quality coking coal so that particular coal may fall within that definition if its ash content is greater than 10.5% or otherwise where its crucible swelling number is not greater than 5 in accordance with the analytical process currently applicable to that coal under that section. The effect of this amendment will be to ensure that steaming coal for export does not become subject to coal export duty and that only high quality coking coal will be subject to that duty. This reflects the policy intention of the principal Act.

### Saving Provision

Clause 4 is a standard savings provision, and provides that coal already loaded onto a ship for export from Australia, or the loading of which has commenced before the commencement of this Act, is to be subject to the provisions of the principal Act prior to this amendment.