

THE UNIVERSITY OF TASMANIA

SCHOOL OF :

DATE :

MEMO TO :

SUBJECT : CUSTOMS TARIFF ACT - RESEARCH MATERIALS

Would you please arrange for the undermentioned research materials to be cleared duty free under the Customs Tariff Item 14 in Part 1 of Schedule 4 of the Customs Tariff Act 1987

GOODS :

ORDER NO.

DATE

APPROX I.O.B. VALUE A\$

MANUFACTURER/SUPPLIER

I have read the notes on the reverse side of this form and understand the interpretation placed by the Australian Customs Service on the terms 'goods serving a similar function' and 'in the normal course of business'. I also understand that the Minister may revoke the authority of the University to import goods duty free if compliance with requirements as set out below are not adhered to :

1. that the goods are to be used as components or materials in a research programme or project,
namely -----
2. that goods serving a similar function are not available from an Australian manufacturer in the normal course of business.

The goods ordered above comply with the requirements set out in 1 and 2 above.

Signed Head of School or Authorised Technical Officer

Technical Officer authorised by the Head of School to sign University Purchase orders.

NOTES :

These notes have been summarised from the guidelines booklet on the Tariff Concession System obtained from the Australian Customs Service.

When considering if goods serving a similar function are available from an Australian manufacturer in the normal course of business, the following steps should be considered :

STEP 1 : are the goods in question being produced in Australia?

STEP 2 : are the goods in question capable of being produced in Australia in the normal course of business? (In other words is an Australian producer prepared to accept orders for the supply of goods that have been, are being or will be produced by him?)

STEP 3 : are goods serving similar functions to the imported goods being produced in Australia?

STEP 4 : are goods serving similar functions to the imported goods capable of being produced in Australia in the normal course of business?

In steps 1 and 2, the comparison between the local and imported goods is a straight forward one.

For example, if colour VDUs are the subject of an application for a concession, it must be determined :-

Whether colour VDUs are being produced in Australia; or

Whether colour VDUs are capable of being produced in Australia in the normal course of business.

If the answer to either of the above is "yes", then concessional entry of colour VDUs is not appropriate. If the answer is "no", then steps 3 and 4 must be examined.

When considering whether goods serve similar functions, the comparison revolves around what is practical and realistic in the market place and the key factor is competition or potential competition which exists (or would be likely to occur if a concession were granted) between the imported and locally produced goods.

In economic terms the concept we are concerned with is known as the "cross-elasticity of demand". Essentially it comes down to the question of whether the products compete or would compete with each other.

Again consider the importer who is seeking a concession for colour VDUs and suppose he has established that Australian production is limited to black and white VDUs.

When determining whether black and white VDUs serve similar functions to the imported colour models, an examination of the market place must be made.

If advice from those operating in that particular market indicates that the black and white VDUs serve a separate market to the colour VDUs, the goods would not be considered to serve similar functions.

However, should it be established that the goods compete with each other in the market place, the black and white VDUs would be considered to serve similar functions to the colour VDUs and consequently a concessions would not be available.

Should you have any queries or wish to obtain further information please contact the Customs Clerk.