Australian Customs Notice 1996 04

**ORIGIN OF GOODS PACKAGED WITHIN THE PREFERENCE CLAIM AREA**

Under Division 1A of Part VIII of the *Customs Act 1901*, the origin of goods claimed to be the manufacture of a country, depends upon the country in the qualifying area where the last process of manufacture occurred and whether the allowable factory cost is not less than the specified percentage.

For goods claimed to be the manufacture of a preference country such as New Zealand, Papua New Guinea or a Forum Island Country, the required area percentage ( except in certain specific circumstances) is not less

than 50%.

Unless there has been a process of manufacture performed on the preference claim goods within the qualifying area, assessment of the area percentage is not considered for preferential rules of origin.

In considering the last process of manufacture criterion, certain minimal processes are regarded as not meeting this criterion. One such process is the packaging of goods for export to Australia.

The packaging of different goods into a boxed set is regarded as a minimal process which by itself does not satisfy the "last process of manufacture" criterion. Where goods from outside the qualifying area are packaged together with goods from within the qualifying area, the goods from outside the qualifying area cannot take the origin of the country where the packaging takes place.

For example, where Italian goods are boxed or packaged in New Zealand

with New Zealand goods, the boxed set cannot take the origin of New Zealand. The Italian goods still retain the origin of Italy and the New Zealand goods retain the origin of New Zealand.

Preferential rates of Customs duty cannot be claimed on the complete boxed set as the origin of New Zealand.

In such circumstances, each individual good should be identified separately on Customs documentation and the general rate of duty is applicable for those goods from outside the qualifying area.

Further details on packaging and minimal processes can be obtained by contacting Wayne Kathage (06) 275 6512.

**(L.B.WOODWARD)**

CHIEF EXECUTIVE OFFICER CANBERRA ACT 2601

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