Australian Customs Notice 2002 08

**Preferential Access for Wholly Manufactured Goods Incorporating a Determined Manufactured Raw Material (DMRM)**

This notice deals with preferential access for goods that incorporate a determined manufactured raw material (DMRM) and that are traded between Australia and New Zealand and between Australia and Canada.

A DMRM is a material that is imported into a country but is determined by the Chief Executive Officer of the Australian Customs Service (Customs), or his delegate, to be the manufactured raw material of that country.

**Imports from New Zealand and Canada** *Preferential access*

Preferential rates of customs duty for goods that are produced or manufactured in various countries, including New Zealand and Canada, are set out in the *Customs Tariff Act 1995*.

Division 1A of Part VIII of the *Customs Act 1901* (Customs Act) sets out rules for determining whether goods are the produce or manufacture of a particular country, other than Australia. Sections 153J and 153P of the Customs Act provide that goods are the manufacture of New Zealand or of Canada, respectively where:

1. they are wholly manufactured in the country; or
2. where the last process of manufacture was performed in the country and a certain level of local content was achieved.

*Wholly manufactured criterion*

Under subsections 153J(1) and 153P(2), respectively, goods are wholly manufactured in New Zealand or in Canada where they were wholly manufactured from one or more of the following:

1. unmanufactured raw materials;
2. materials wholly manufactured within New Zealand and/or Australia, or within Canada and/or Australia, as the case may be;
3. materials imported into New Zealand or into Canada, as the case may be, that have been determined, by notice in the *Commonwealth of Australia Gazette* (Gazette), to be DMRMs of that country.

Goods manufactured in New Zealand or in Canada that incorporate a DMRM may be imported into Australia at a preferential rate of customs duty, provided that the goods do not contain imported materials that were manufactured in a country other than Australia.

A list of DMRMs that have been granted for New Zealand and for Canada has been published in Gazette No. TC 02/09 of 6 March 2002. An extract from that Gazette is attached for information.

*Application for a DMRM*

Exporters in New Zealand and in Canada may apply to the relevant authority in their country for a DMRM in Australia. That authority will contact Customs for consideration of the application and for notification of the DMRM application.

A DMRM will be granted where there is no manufacture of the materials in New Zealand or in Australia, or in Canada or in Australia, as the case may be.

Australia and New Zealand have agreed on the following core criteria for granting a DMRM:

the materials are eligible for duty-free entry or for duty concessions (including a tariff concession) in New Zealand and in Australia; and

there are no objections from manufacturers of the relevant material, or a substitutable or suitable material in either country.

*Revocation of a DMRM*

Australian manufacturers wishing to apply for the revocation of an existing DMRM should contact Customs at the following address for a revocation form:

*Valuation and Origin Section Australian Border Force*

*5 Constitution Avenue*

*CANBERRA ACT 2601*

*Telephone: (02) 6275 6551*

*Facsimile: (02) 6275 6477*

*a copy can be obtained by writing to Customs at the above address.*

*TOM MARSHALL*

*National Manager Tariff*

*for Chief Executive Officer (C95/01172)*