



AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE NO. 2012/55

Implementation of the Customs Tariff Amendment (Schedule 4) Act 2012

Background

Schedule 4 of the *Customs Tariff Act 1995* (the Customs Tariff) lists concessional items covering goods and user categories in respect of which concessional rates of import duty have been granted. Schedule 4 delivers a range of policy objectives, including industry assistance and the implementation of tariff concessions arising from international treaties.

In 2010 a review of Schedule 4 was initiated to simplify the existing tariff concession regime by the Better Regulation Ministerial Partnership between the Minister for Finance and Deregulation, the then Minister for Innovation, Industry, Science and Research, and the Minister for Home Affairs.

This review focussed on removing unnecessary complexity from Schedule 4 by simplifying existing arrangements and removing obsolete items.

The recommendations of the Ministerial Partnership were incorporated in the Customs Tariff Amendment (Schedule 4) Bill 2012. This Bill received the Royal Assent on 25 September 2012 as Act No. 138 of 2012 (the Schedule 4 Act).

Previous Australian Customs Notices provided advice about the review (ACN 2010/18) and consultation on an exposure draft of the Schedule 4 legislation (ACN 2011/64).

Commencement

The Schedule 4 Act will commence on 1 March 2013.

Application

The Schedule 4 Act contains an application provision that provides that the amendments in the Schedule 4 Act will apply to goods imported into Australia on or after the commencement of the Act and also to goods imported before that date where the time for working out the rate of import duty on those goods had not yet occurred, including:

- Goods imported before commencement, but not entered for home consumption until after commencement;
- Goods imported and entered into warehouse before commencement and not entered for home consumption until after commencement; and
- Goods not required to be entered for home consumption, for example unaccompanied personal effects.

Overview of changes

The Schedule 4 Act will replace the current Schedule 4 in the Customs Tariff with a revised Schedule, which:

- consolidates concessional items of similar coverage;
- places similar concessional items together in a re-worked Schedule 4 structure; and
- removes redundant or rarely used concessional items.

The Schedule 4 Act reduces the number of concessional items from 99 to 57, with most of the existing items being re-numbered. As a consequence, new treatment codes, reference numbers and statistical codes will be created, to give administrative effect to the new Schedule 4 items.

In addition, each concessional item is categorised to its own descriptive item grouping, for example, item 1 applicable to scientific goods, instruments and apparatus, falls under the grouping of “Goods of a scientific, educational or cultural kind”.

A number of the new items have been re-worded for clarification. However, the scope of the concessions and the concessional duty rates have not changed.

Schedule 4 items for which no replacement is made

The Schedule 4 Act will remove a number of existing concessional items, where there is unnecessary overlapping of concessions, the concession is redundant or rarely used, or the wording is unclear. The Table at Attachment A lists existing Schedule 4 items that will be omitted without replacement. It also lists a number of previously end-dated Schedule 4 items that currently remain listed in the Customs Tariff Working Pages.

Attachment A also lists treatment codes, reference numbers and statistical codes that give administrative effect to these items. These treatment codes and reference numbers will cease to operate on and from 1 March 2013. However, these codes will continue to be available in the Customs and Border Protection Integrated Cargo System (ICS) for eligible goods entered in the period of validity of the concessional item.

Correlation tables

For those Schedule 4 items that will be re-made with new item numbers in the revised Schedule 4, Attachment B contains correlation tables linking pre-1 March 2013 and post-1 March 2013 Schedule 4 concessional items.

New administrative arrangements

The Table at Attachment C lists the new Schedule 4 items and the administrative arrangements i.e. new treatment codes and/or reference numbers that will be available for use with these items in the ICS, from 1 March 2013. This Table also includes statistical codes for the new reference numbers.

For example, item 1 (scientific goods, instruments and apparatus) combines previous items 1D and 16. Item 1 will operate through a new treatment code 701 from 1 March 2013. Similarly, new item 4 (calendars and catalogues etc.) will operate through a new reference number 9999.32.04 with statistical code 01.

Attachment C also lists the corresponding previous Schedule 4 item numbers and their associated treatment codes and/or reference numbers. Importers should be aware that, unless otherwise indicated, these codes will not operate on and from 1 March 2013. It will be necessary to use the new codes on import declarations from that date.

Administrative arrangements for a limited number of items will not change. This is indicated as “No change” in Attachment C. These items are:

Item 15 – Passenger Concessions

Item 21 – Goods imported for repair etc. to be exported

Item 21A – Goods subject to a Tradex Order

Item 50 – Goods subject to a Tariff Concession Order

GST exemption codes

The *A New Tax System (Goods and Services Tax) Act 1999*, the *A New Tax System (Wine Equalisation Tax) Act 1999* and the *A New Tax System (Luxury Car Tax) Act 1999* all refer to existing items in Schedule 4. The Schedule 4 Act makes consequential amendments to those acts to update those references to reflect the re-numbering of the items in Schedule 4. These amendments ensure that the provisions of those acts will continue to apply to goods that are subject to the new Schedule 4 concessions.

Currently, the ICS provides a number of GST exemption codes that are linked to the pre-1 March 2013 Schedule 4 items. Where necessary, these codes will be end-dated and new codes created to reflect the revised item numbers. Please note that GST exemption codes should only be quoted on import declarations where the goods would be covered by the new concessional item.

Attachment D summarises changes to GST exemption codes.

By-Laws and other instruments

As noted, the changes under the Schedule 4 Act re-number most items in the current Schedule 4. Many of those items are further conditioned through the provisions of customs by-laws. The term “by-law” includes standing by-laws, AusIndustry Determinations and Ministerial Determinations.

The re-numbering of items under the Schedule 4 Act will require the revocation and re-issue of all standing by-laws. New by-laws, linked to the re-numbered items, will be created to replace the existing by-laws. Where appropriate, by-laws will be reworded for clarification.

The Schedule 4 Act contains transitional provisions for Tradex Orders (item 21A) and Tariff Concession Orders (item 50), and cheese and curd quota instruments (item 62) to ensure that instruments issued under these items continue in force after the commencement of the Schedule 4 Act.

Separate arrangements will apply for instruments connected to the Enhanced Project By-law Scheme, (present item 71, re-numbered as item 44) and certain inputs to manufacture (present items 57 and 60, re-numbered as items 46 and 47 respectively).

Further information, including new by-law numbers will be provided closer to the commencement of the Schedule 4 Act.

Guidelines

Customs and Border Protection will progressively publish guidelines for comment, for each new Schedule 4 item, through the tariff public advice system. This can be accessed on the tariff public advice products page at: <http://www.customs.gov.au/tariff/precedents.asp>.

We invite comments on the guidelines via our email address - tariff@customs.gov.au.

New users of this system will need to sign on to the subscription service if they wish to receive updates when material is added or changed. Details on how to subscribe can be found on the general tariff page - <http://www.customs.gov.au/tariff/default.asp>.

Finalised guidelines will also be available on the Tariff Schedule 4 page on the Customs website.

Enquiries

In the first instance, those seeking information on the Schedule 4 changes and their consequential amendments should refer to the Tariff Schedule 4 page on the Customs website, at, <http://www.customs.gov.au/tariff/schedule-4.asp> - this page contains links to all available information relevant to the proposed changes.

If you require any further information about the proposed changes please direct any enquiries to:

Manager Trade Policy and Advice
Australian Customs and Border Protection Service
Ph: (02) 6275 6095
Email: tariff@customs.gov.au

(Signed)
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CANBERRA ACT
29 November 2012

Table of Schedule 4 items that will not continue

Brief Description	Schedule 4 Item Number	Treatment Code/ Reference Number
National interest goods	2	406
Goods for the use of the Governor-General	3	9999.40.03/12
Goods for the use of the Governor of a State	10	9999.40.10/13
Australian Industry Involvement Program goods	13	413
Goods for use in a research program at a tertiary institution	14	9999.40.14/10
Goods for use in the exploration for oil and natural gas	22	522 622
Tobacco products for use in a scientific research program	35	9999.40.35/39
Goods covered by the Automotive Competitiveness and Investment Scheme (ACIS) (ACIS credits expired on 31/12/2011)	41E	611 612
Certain goods with a rate of duty of 10% (Item ceased operation on 1/1/2010)	53C	853
Goods imported under the Overseas Assembly Provisions Scheme (Item ceased operation on 1/7/2010)	61	461 561
Product Diversification Scheme for certain clothing and finished textiles (Duty credits not available for use after 30 June 2011)	73	Import credits

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Correlation Tables for Schedule 4 Items**(New (post 1 March 2013) to Old (pre-1 March 2013))**

New Item No (post-1 March 2013)	Old Item No (pre-1 March 2013)	Brief Description
Goods of a scientific, educational or cultural kind		
1	1D 16	Scientific goods, instruments and apparatus
2	63	Reference materials
3	1A 1C	Books, visual and auditory goods
4	33A	Calendars and catalogues
5	23C 26	Printed matter and pictorial illustrations
6	37	Photographic plates and film
7	1B	Works of art
8	28A 28B	Theatrical and traditional costumes
Goods for international bodies or persons or goods relating to offshore areas		
9	7	Goods for international organisations
10	4	Goods of foreign governments
11	8	Goods for foreign forces
12	5 6	Trade Commissioner goods
13	9	Goods subject to the Torres Strait Treaty
14	22A	Eastern Greater Sunrise offshore area goods
Goods that are personal effects		
15	15	Personal effects for passengers and ship or aircraft crew
Goods that are returned to Australia		
16	20C	Repair goods under an article of a free trade agreement
17	17	Goods exported and returned to Australia in an unaltered condition
17A	17A	Goods exported and returned unaltered to Australia on which duties or taxes are owing
18	18A 18B 18C	Warranty and safety recall goods
19	19	Repair goods subject to a Tariff Concession Order

New Item No (post-1 March 2013)	Old Item No (pre-1 March 2013)	Brief Description
20	20A 20B	Goods exported for repair or renovation
Goods that are to be exported from Australia		
21	21	Goods for repair, alteration or industrial processing to be exported
21A	21A	Tradex goods
22	34	Containers used to import goods, being containers that will be exported without being put to any other use
Goods that are donations or bequests		
23	23A 23B	Donations or bequests
24	24	Last will or intestacy goods not for sale or trade
Goods that are trophies, decorations, medallions, certificates or prizes		
25	25A 25B 25C	Trophies, medallions and prizes
Goods of low value		
26	32A 32B	Goods of insubstantial value
27	33B	Samples of negligible value
Goods for persons with disabilities		
28	12	Various aids and appliances for persons with disabilities
29	1E	Goods for persons with disabilities
30	58	Parts for wheelchairs
Goods that are textiles, clothing or footwear		
31	68	SPARTECA TCF Scheme
32	40A	Textiles, clothing and footwear
33	40B	Orthopaedic textile goods
Goods relating to transport		
34	31	Aircraft parts, materials and test equipment
35	42	Vessel parts and materials
36	41D	Vehicles of an age of 30 years or more
37	59	Used or secondhand passenger motor vehicles
38	41F	Original equipment for the manufacture of vehicles over 3.5 tonnes
39	41G 41H	Motor vehicle testing equipment
40	51	Aluminised steel for use in the manufacture of muffler exhaust systems

New Item No (post-1 March 2013)	Old Item No (pre-1 March 2013)	Brief Description
41	69	Goods for use in space projects
Goods that are robots or prototypes		
42	30	Robots
43	29	Goods for use as prototypes
Goods relating to manufacturing		
44	71	Capital equipment for major projects – Enhanced Project By-law Scheme
45	70	Split consignment goods
46	57	Raw materials – certain inputs to manufacture program
47	60	Metal materials – certain inputs to manufacture program
48	36 38 39A 39B 39C	Other inputs to manufacture including chemicals, plastics and paper
49	66	Aluminium sheet for use in the manufacture of cans
50	50	Tariff Concession Order goods
51	47	Machinery that incorporates or is imported with other goods which render the machinery ineligible for a Tariff Concession Order
Goods exempt from the Product Stewardship Oil Levy		
52	72A	Mineral and aromatic process oils that are exempt from the Product Stewardship Oil Levy
53	72B	Polyglycol brake fluids that are exempt from the Product Stewardship Oil Levy
Miscellaneous goods		
54	27	Handicrafts
55	62	Cheese and curd quota

Correlation Tables for Schedule 4 Items
(Old (pre-1 March 2013) to New (post-1 March 2013))

Old Item	New Item		Old Item	New Item
1A	3		30	42
1B	7		31	34
1C	3		32A	26
1D	1		32B	26
1E	29		33A	4
4	10		33B	27
5	12		34	22
6	12		36	48
7	9		37	6
8	11		38	48
9	13		39A	48
12	28		39B	48
15	15		39C	48
16	1		40A	32
17	17		40B	33
17A	17A		41D	36
18A	18		41F	38
18B	18		41G	39
18C	18		41H	39
19	19		42	35
20A	20		47	51
20B	20		50	50
20C	16		51	40
21	21		57	46
21A	21A		58	30
22A	14		59	37
23A	23		60	47
23B	23		62	55
23C	5		63	2
24	24		66	49
25A	25		68	31
25B	25		69	41
25C	25		70	45
26	5		71	44
27	54		72A	52
28A	8		72B	53
28B	8			
29	43			

Table for Schedule 4 Treatment Codes and Reference Numbers

Brief Description	New Schedule 4 Item No.	New Treatment Code/ Reference Number (From 1 March 2013)	New GST Exemption Codes	Old Schedule 4 Item No.	Old Treatment Code/ Reference Number (Prior to 1 March 2013)
Scientific goods, instruments and apparatus	1	701		1D 16	404 9999.30.16/34
Reference materials	2	702		63	463
Books, visual and auditory goods	3	703		1A 1C	401 403
Calendars and catalogues	4	9999.32.04/01	4041	33A	9999.31.33/03
Printed matter and pictorial illustrations	5	9999.70.05/02		23C 26	9999.70.23/33 9999.40.26/24
Photographic plates and film	6	706		37	437
Works of art	7	707		1B	502
Theatrical and traditional costumes	8	708		28A 28B	9999.30.28/25 9999.40.28/40
Goods for international organisations	9	9999.30.09/03		7	9999.30.07/16
Goods of foreign Governments	10	9999.30.10/04	410	4	9999.30.04/33
Goods for foreign forces	11	9999.30.11/05	411	8	9999.30.08/17
Trade Commissioner goods	12	9999.30.12/06		5 6	9999.32.05/14 9999.30.06/15
Goods subject to the Torres Strait Treaty	13	713		9	409
Eastern Greater Sunrise offshore area goods	14	714		22A	722
Personal effects for passengers and ship or aircraft crew	15	No change	No change	15	415 9999.40.15/41

Brief Description	New Item	New Treatment Code/Reference Number from 1 March 2013	New GST Exemption Codes	Old Item	Old Treatment Code/Reference Number prior to 1 March 2013
Repair goods under an article of a free trade agreement	16	716 (value of goods before repair) 816 (cost of repair)		20C	520 (value of goods before repair) 529 (cost of repair)
Goods exported and returned to Australia in an unaltered condition	17	9999.32.17/07 171 (Goods re-imported after temporary export) 172 (Other)	No change	17	9999.30.17/25 817 (Goods re-imported after temporary export) 917 (Other)
Goods exported and returned unaltered to Australia on which duties or taxes are owing	17A	173		17A	317
Warranty and safety recall goods	18	184 (goods before repair) 185 (value of repair) 186 (goods supplied free under warranty) 187 (goods supplied free under global product recall)	418	18A 18B 18C	418 (18A) (goods before repair) 518 (18A) (value of repair) 618 (18B) (goods supplied free under warranty) 718 (18C) (goods supplied free under global product recall)
Repair goods subject to a Tariff Concession Order (TCO)	19	719 (value of goods before repair) 819 (cost of repair)	No change	19	419 (value of goods before repair) 519 (cost of repair)

Brief Description	New Item	New Treatment Code/Reference Number from 1 March 2013	New GST Exemption Codes	Old Item	Old Treatment Code/Reference Number prior to 1 March 2013
Goods exported for repair or renovation	20	820 (value of goods before repair) 829 (cost of repair)	420	20A 20B	320 (20A) (value of goods before repair) 329 (20A) (cost of repair) 920 (20B) (value of goods before repair) 929 (20B) (cost of repair)
Goods for repair, alteration or industrial processing to be exported	21	No change	No change	21	521 (Aust goods returned for repair) 921 (Other)
Tradex goods	21A	No change	No change	21A	821
Containers used to import goods, being containers that will be exported without being put to any other use	22	Goods (Use Schedule 3 subheading) 822 (containers subject to security) 9999.30.22/08 (unit of quantity is No)(other containers)	422	34	Goods (Use Schedule 3 subheading) 434 (containers subject to security) 9999.30.34/38 (other containers)
Donations or bequests	23	723	423	23A 23B	423 9999.60.23/32
Last will or intestacy goods not for sale or trade	24	9999.60.24/01	No change	24	9999.50.24/32
Trophies, medallions and prizes	25	9999.51.25/09	425	25A 25B 25C	9999.50.25/33 9999.60.25/34 9999.70.25/35
Goods of insubstantial value	26	9999.30.26/10		32A 32B	9999.30.32/01 9999.31.32/02

Brief Description	New Item	New Treatment Code/Reference Number from 1 March 2013	New GST Exemption Codes	Old Item	Old Treatment Code/Reference Number prior to 1 March 2013
Samples of negligible value	27	9999.30.27/11	427	33B	9999.32.33/04
Various aids and appliances for persons with disabilities	28	728		12	412
Goods for persons with disabilities	29	729		1E	405
Parts for wheelchairs	30	730		58	458
SPARTECA – TCF Scheme	31	731		68	468
Textiles, clothing and footwear	32	732		40A	680
Orthopaedic textile goods	33	733		40B	9999.40.40/11
Aircraft parts, materials and test equipment	34	734		31	431
Vessel parts and materials	35	735		42	442
Vehicles of an age of 30 years or more	36	736		41D	941
Used or second hand passenger motor vehicles	37	737		59	459
Original equipment for the manufacture of vehicles over 3.5 tonnes	38	738		41F	711
Motor vehicle testing equipment	39	739		41G 41H	811 (standing references) 812 (ad-hoc by-laws) 911 (vehicles) 912 (other, including components)

Brief Description	New Item	New Treatment Code/Reference Number from 1 March 2013	New GST Exemption Codes	Old Item	Old Treatment Code/Reference No. prior to 1 March 2013
Aluminised steel for the use in the manufacture of muffler exhaust systems	40	740		51	451
Goods for use in space projects	41	741		69	469
Robots	42	742		30	430
Goods for use as prototypes	43	743		29	429
Capital equipment for major projects – Enhanced Project By-law Scheme	44	744 (treatment code 471 will be retained after 1/3/2013)		71	471
Split consignment goods	45	745 (goods covered by a TCO) 845 (Other)		70	570 (goods covered by a TCO) 870 (Other)
Raw materials – certain inputs to manufacture program	46	746		57	557
Metal materials – certain inputs to manufacture program	47	747		60	660
Other inputs to manufacture including chemicals, plastics and paper	48	748		36 38 39A 39B 39C	436 438 439 539 939
Aluminium sheet for use in the manufacture of cans	49	749		66	466

Brief Description	New Item	New Treatment Code/Reference Number from 1 March 2013	New GST Exemption Codes	Old Item	Old Treatment Code/Reference No. prior to 1 March 2013
Tariff Concession Order goods	50	No change, however the item has been restructured. 50(a) - 505 50(b) - 508 50(c)(i) - 509 50(c)(ii) - 507		50 50(1) 50(1A) 50(2)(a) 50(2)(b)	505 508 509 507
Machinery that incorporates or is imported with other goods which render the machinery ineligible for a Tariff Concession Order	51	751		47	547
Mineral and aromatic process oils that are exempt from the Product Stewardship Oil Levy	52	952		72A	472
Polyglycol brake fluids that are exempt from the Product Stewardship Oil Levy	53	953		72B	572
Handicrafts	54	754		27	427
Cheese and curd quota	55	462 (until 30 June 2013)		62	462

Note: Statistical codes for reference numbers do not require a unit of quantity except for new item 22 reference number 9999.30.22/08 where the unit of quantity is No.

Table of GST Exemption Codes Linked to Schedule 4 Items
Codes that will cease on 1 March 2013

Brief Description of Item	Schedule 4 Item	GST Exemption Code
Goods of foreign governments	4	404
Goods for foreign forces	8	408
Goods repaired under warranty	18A	418A
Goods supplied free under warranty	18B	418B
Goods supplied free under global product recall	18C	418C
Goods exported for repair or renovation	20A	420A
Goods exported for repair or renovation – batch repair	20B	420B
Donations or bequests to an organisation for philanthropic purposes	23A	423A
Donations or bequests to the public or a public institution	23B	423B
Trophies won outside Australia	25A	425A
Decorations and medallions awarded outside Australia	25B	425B
Trophies or prizes sent from outside Australia	25C	425C
Calendars and catalogues	33A	433A
Samples of negligible value	33B	433B
Containers used to import goods, being containers that will be exported without being put to any other use	34	434
Goods for use in the Commonwealth Games	64	464

Table of new GST Exemption Codes Linked to Schedule 4 Items
Codes that will commence on 1 March 2013

Brief of Item Description	New Schedule 4 Item	New GST Exemption Code
Calendars and catalogues	4	4041
Goods of foreign governments	10	410
Goods for foreign forces	11	411
Warranty and safety recall goods	18	418
Goods exported for repair or renovation	20	420
Containers used to import goods, being containers that will be exported without being put to any other use	22	422
Donations or bequests	23	423
Trophies, medallions and prizes	25	425
Samples of negligible value	27	427