



AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE NO. 2011/22

New Customs laws

Last week Parliament passed the following Bills, which are now awaiting Royal Assent:

- Customs Amendment (Export Controls and Other Measures) Bill 2011
- Customs Tariff Amendment (2012 Harmonized System Changes) Bill 2011, and
- Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011.

Customs Amendment (Export Controls and Other Measures) Bill 2011

Commences on a date to be fixed by Proclamation or within 6 months of the Bill receiving Royal Assent

The measures in the Bill form part of the Australian Government's initiatives to increase the level of security in ports, airports and cargo storage facilities. The Bill amends the *Customs Act 1901* and the *Customs Depot Licensing Charges Act 1997*.

The Bill's primary focus is to strengthen Customs and Border Protection controls over export cargo. The Bill will enhance Customs and Border Protection's ability to respond to specific security concerns and to detect and respond to high-risk export cargo.

The Bill implements the outcomes of a joint Department of Infrastructure and Transport and Customs and Border Protection review of the legal provisions and administrative framework of licensed depots and warehouses and Regulated Air Cargo Agents, and it responds to recommendations made in the Australian National Audit Office report 'Customs' Cargo Management Re-engineering Project'.

Customs and Border Protection will consult industry, as it develops supporting material to implement the measures in the Bill. This includes changes to the Infringement Notice Guidelines for new offences contained in the Bill.

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Customs Tariff Amendment (2012 Harmonized System Changes) Bill 2011

Commences 1 January 2012

The Bill contains approximately 800 amendments to the *Customs Tariff Act 1995* that will implement changes resulting from the World Customs Organization fourth review of the International Convention on the Harmonized Commodity Description and Coding System, commonly referred to as the Harmonized System.

The Bill will preserve existing levels of industry protection and margins of tariff preference that apply to imported goods, including goods imported under Australia's free trade agreements.

The administering body, the World Customs Organization, reviews the Harmonized System every five years to reflect changes in industry practice, technological developments and

changes in international trade patterns. As a signatory to the Harmonized System, Australia is required to implement the changes resulting from the fourth review on 1 January 2012.

The fourth review amendments concentrate primarily on environmental and social issues that are of global concern. This includes the use of the Harmonized System to identify goods that are of importance to the food security programme of the Food and Agriculture Organization of the United Nations. It also includes the creation of new subheadings for specific chemicals, which will facilitate the monitoring and control of international trade in these products under the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Montreal Protocol on Substances that Deplete the Ozone Layer.

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Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011
Commences 1 December 2011

The Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011 is one of four bills implementing the Government's longstanding plan for the taxation of alternative fuels.

The Alternative Fuels Bills will change the taxation treatment of liquefied petroleum gas, liquefied natural gas and compressed natural gas. The new taxation arrangements will start to phase in on 1 December 2011 and will be complete from 1 July 2015. At this time, the tax will apply on an energy content basis but with a 50 per cent discount to recognise the potential environmental, regional development and fuel security benefits of alternative fuel use.

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The Bills and the Explanatory Memorandums are available on the Australian Parliament House website on the Bills page - <http://www.aph.gov.au/bills/index.htm>

(signed)
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27 June 2011