



AUSTRALIAN CUSTOMS NOTICE NO. 2009/49

Tariff, duty rate and statistical code changes for 1 January 2010

This notice summarises tariff and statistical code changes that will occur on 1 January 2010.

Reduction of duty rates for passenger motor vehicles and components

Duty rates for passenger motor vehicles and parts components will be reduced from 10% (General rate of customs duty) to 5%, on 1 January 2010. Duty rates will also be adjusted for preference countries in accordance with Australia's System of Tariff Preferences, provided under the Centralised System of Preferences. The new duty rates for these goods are set out in the Customs Tariff Working Pages (Schedule 3) and, where required, in Schedules 5, 6 and 7 (US, Thai and Chilean originating goods). New Schedule 8 will also specify rates of duty applicable to AANZ originating goods, from 1 January 2010 (more information is available below on the ASEAN-Australia-New Zealand Free Trade Agreement).

Reduced duty rates will apply to new and second hand passenger motor vehicles of heading 8703 and to motor vehicle components classified in heading 8708 and other headings of the Customs Tariff.

These duty rate reductions will not affect existing tariff classification numbers or their associated statistical codes.

Item 53C in Schedule 4

Item 53C in Schedule 4 to the *Customs Tariff Act 1995* (Customs Tariff) provides reduced rates of duty (from 10% to 5%) for certain goods when not of a kind used as components in passenger motor vehicles. Following the reduction of duty rates for motor vehicle components to 5%, item 53C will be redundant.

Item 53C operates through treatment code 853. Section 18(1) of the Customs Tariff provides that a concessional item in Schedule 4 can only be used if the concessional rate of duty is less than the rate provided through Schedules 3, 5, 6, 7 or 8.

In accordance with this provision, importers should note that treatment code 853 will not operate in the Integrated Cargo System (ICS) from 1 January 2010. Importers should take action to remove treatment code 853 from import declarations created in the ICS from that date.

Amendment to Schedule 4 item 59

Item 59 in Schedule 4 provides the mechanism to remove the duty of \$12,000 per vehicle on used or second hand vehicles, subject to conditions specified in Customs by-laws.

The applicable duty rate of 10% for this item will be reduced to 5%.

Reduction of duty rates for textiles, clothing and footwear goods

Duty rates for textiles, clothing and footwear (TCF) goods will also be reduced on 1 January 2010. Where the General rate of duty is 17.5%, the reduction is to 10%, where the General rate is 10% or 7.5%, to 5%. Duty rates will also be adjusted for preference countries in accordance with Australia's System of Tariff Preferences provided under the Centralised System of Preferences.

The reductions of duty rates apply to a range of textile fabrics, clothing, including knitted and woven coats, jumpers, shirts, under garments and other finished textile articles and footwear.

These duty rate reductions will not affect existing tariff classification numbers or their associated statistical codes.

The new duty rates for these goods are set out in the Customs Tariff Working Pages (Schedule 3, and, where required, in Schedules 5, 6 and 7). New Schedule 8 will also specify rates of duty applicable to AANZ originating goods, from 1 January 2010

Reduction of duty rates under Free Trade Agreements

In addition to the above duty rate reductions, duty rates for certain US, Thai and Chilean originating goods are due to be reduced on 1 January 2010, in accordance with the terms of the respective free trade agreements. The new duty rates are set out in Schedules 5, 6 and 7, respectively, of the Customs Tariff Working Pages. Goods for which duty rates will be reduced depend on the particular free trade agreement.

Commencement of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)

Australian Customs Notice 2009/44 advised that the AANZFTA would commence for Australia on 1 January 2010. The amendments to the Customs Tariff contained in the *Customs Tariff Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Act 2009* provide a Free rate of duty for AANZ originating goods, unless a rate is specified in new Schedule 8 opposite the tariff classification that applies to those goods.

Where a rate is specified in Schedule 8 for a particular tariff classification, a margin of preference may not be available for those AANZ originating goods until 2015 or 2020. This applies particularly to TCF goods and certain motor vehicles. In these cases, the ICS will not accept the AANZ Preference Scheme on import declarations. Importers should confirm that the AANZ rate, as set out in Schedule 8, is less than the General rate for the tariff classification.

Where a margin of preference is available for AANZ originating goods, including those goods for which the AANZ rate will be Free on implementation, the Preference Scheme AANZ, for goods that are AANZ originating goods, will be available in the ICS for use on import declarations from 1 January 2010.

Preferential rates of duty that are currently available for the ASEAN Member States under Australia's System of Tariff Preferences will continue to be available for goods imported from those countries.

Australian Customs Notice 2009/44 provides further information on entry procedures for AANZ originating goods.

Customs Tariff Working Pages to be issued in connection with the AANZFTA include:

- amendments to the Tariff Act;
- revisions for Schedule 4; and
- the new Schedule 8, specifying rates for AANZ originating goods, where required.

A further Supplementary Page for Schedule 1, listing the ASEAN Member States and the date for which the AANZFTA has entered into force for those Member States, will be published at the same time as this ACN. This page will be updated when the Agreement enters into force for the remaining Member States.

Australian Customs Notice 2009/44 provides further information on entry procedures for AANZ originating goods.

Statistical Code changes

The Australian Bureau of Statistics has advised changes to the statistical codes in the Customs Tariff Working Pages, for 1 January 2010, for tariff subheadings 2903.19.00, 2903.39.00, 2903.45.00, 2903.49.10, 2903.49.90, 3808.91.10, 3808.91.90, 3808.92.00, 3808.93.00, 3808.94.00, 3808.99.00, 3813.00.00 and 3814.00.00.

The changes to the statistical codes are designed to identify certain ozone depleting substances.

Corresponding changes will be made to the Australian Harmonized Export Commodity Classification. Australian Customs Notice 2009/48 refers.

Importers should note that, for those headings and subheadings where statistical code changes have been made, the existing statistical codes will cease to operate from 1 January 2010.

Application of new duty rates

The reduced duty rates will apply to goods that are entered for home consumption on or after 1 January 2010.

The ICS will apply these duty rates automatically from 1 January 2010.

Importers should note that where a Free rate of duty is provided under the AANZFTA for a particular heading or subheading, it is not necessary to quote a Tariff Concession Order (TCO) or any other concessional instrument on import declarations. This will result in an ICS error (undefined error).

Tariff reprint pages

The duty rate reductions are set out in the current Tariff Working Pages.

Tariff reprint pages in respect of the AANZFTA will be available in the week commencing 7 December 2009, as follows:

Title Page

(Reprinted with date of 7 December 2009).

Contents Page (R.5)

Introduction

Page 1 (R.10)

Page 2A (R.5)

Customs Tariff Act

Act Page 7 (R.6)

Act Page 9 (R.12)

Act Page 11 (R.7)

Act Page 13 (R.6)

Act Page 15 (R.20)

Act Page 17 (R.4)

Act Page 19 (R.4)

Act Page 21 (R.4)

Act Page 23 (R.0)

Schedule 4

4/9 (R.8)	4/13 (R.9)	4/17 (R.8)	4/19 (R.14)
4/21 (R.15)	4/25 (R.15)	4/29 (R.10)	4/31 (R.8)
4/33 (R.10)	4/35 (R.7)		

Schedule 7

7/45 (R.1)

Schedule 8

8/1 (R.0)	8/3 (R.0)	8/5 (R.0)	8/7 (R.0)
8/9 (R.0)	8/11 (R.0)	8/13 (R.0)	8/15 (R.0)
8/17 (R.0)	8/19 (R.0)	8/21 (R.0)	8/23 (R.0)
8/25 (R.0)	8/27 (R.0)	8/29 (R.0)	8/31 (R.0)
8/33 (R.0)	8/35 (R.0)		

Supplementary Provisions

SP/3 (R.8) SP/5 (R.8)

Tariff reprint pages in respect of the statistical code changes in Chapters 29 and 38 will also be available in the week commencing 7 December 2009, as follows:

Schedule 3

29/7 (R.15)	29/9 (R.10)	38/5 (R.8)	38/7 (R.16)
38/9 (R.11)	38/11 (R.5)		

The above tariff reprint pages will also be available on the Australian Customs and Border Protection Service website, from 7 December 2009. The website address is:

www.customs.gov.au

Then select:

import export
customs tariff
working tariff page

Further Information

If Customs clients receive error messages in the ICS when accessing the new rates of duty, they should contact Customs Systems Support, either by email at cargosupport@customs.gov.au or by phone on 1300 558 099.

For further information about these changes, contact Manager Tariff Legislation on telephone number 02 6275 6542.

Jennifer Reimitz
National Manager
Trade Services Branch
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