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## **AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE NO. 2011/57**

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### **Harmonized System 2012 tariff changes – implications for Tariff Concession Orders, Tariff Advices, precedents and other tariff changes for 1 January 2012**

#### **HS2012 related changes**

Australian Customs and Border Protection Notices Nos. 2011/12 and 2011/50 provide advice on amendments to the *Customs Tariff Act 1995* (the Customs Tariff) contained in the *Customs Tariff Amendment (2012 Harmonized System Changes) Act 2011* (HS2012 Act). Those amendments reflect changes arising out of the fourth review by the World Customs Organization (WCO) of the International Convention on the Harmonized Commodity Description and Coding System. These changes (the HS2012 changes) will enter into force on 1 January 2012.

This Notice provides further advice on changes to Customs' instruments and decisions, that result from the HS2012 changes, including Tariff Concession Orders (TCOs), Tariff Precedents and Tariff Advices (TAs).

This Notice also provides information on other changes to the Customs Tariff that will take effect on 1 January 2012.

#### **Tariff Concession Orders**

Customs and Border Protection has completed a review of Tariff Concession Orders (TCOs) affected by the HS2012 changes. Attachment A provides a concordance of TCOs to be revoked and replaced with one or more new TCOs under the appropriate HS2012 tariff classifications, with effect from 1 January 2012.

The Tariff Concessions Gazette of 4 January 2012 will advise of the revocation of the HS2012 affected TCOs. It will also advise the replacement TCOs.

#### **Tariff Precedents**

Customs and Border Protection has reviewed existing Tariff Precedents and identified ten precedents that are HS2012 affected. These precedents will be altered after 1 January 2012 as per the table at Attachment B.

#### **Tariff Advices**

In December 2011, Customs and Border Protection will void approximately 940 Tariff Advices (TAs) affected by the HS2012 changes.

Customs and Border Protection will notify importers by mail before 15 December 2011 regarding TAs to be voided. Importers who wish to seek a new TA to replace a voided TA will need to submit new applications through TAPIN on or after 1 January 2012.

TAPIN will reject TA applications submitted before 1 January 2012 that refer to new tariff classifications operative from that date. Importers should review new Tariff Precedents before applying for new TAs. A list of the tariff classifications from which TAs will be voided is at Attachment C for information.

## **Customs Regulation Amendments**

The HS2012 Act amends a number of tariff subheadings that are referred to in the *Customs Regulations 1926*. Those Regulations will be amended to reflect the revised subheading numbers.

## **Customs Tariff Regulation Amendments**

The HS2012 Act referred to “prescribed goods” for certain items in Schedules 5, 7 and 8 of the Customs Tariff. These items are applicable to sanitary articles of the new tariff heading 9619.

The Tariff Working Pages, previously distributed, indicated that the text for those prescribed goods would be set out in the *Customs Tariff Regulations 2004*. Those texts have now been finalised and Customs and Border Protection will issue replacement Tariff Working Pages in the week commencing 5 December.

## **By-Laws HS2012**

The changes under the HS2012 Act affect the tariff headings and subheadings to which existing by-law Nos. 0618807, 9940022 and 9840006 apply. These by-laws relate to items 36 and 40A of Schedule 4 to the Customs Tariff Act, respectively. These items set out concessional rates of duty for goods specified in each respective item, as prescribed by by-law.

New by-laws Nos. 1134474, 1134476 and 1134478 will be created to replace existing by-laws Nos. 0618807, 9940022 and 9840006, respectively. The new by-laws incorporate the changes to the tariff headings and subheadings under the HS2012 Act, but are otherwise unchanged.

## **Import declarations**

Once the TA voiding process commences in December 2011, importers should take care when quoting TAs on import declarations. The Integrated Cargo System (ICS) will reject an import declaration that quotes a voided TA in the TA field of a tariff line. Importers who need to rely on a TA after it has been voided as part of the HS2012 process should quote that TA in the goods description field of the relevant tariff line, rather than in the TA field, until 31 December 2011.

From 1 January 2012, importers will not be able to rely on TAs voided as part of the HS2012 process, and should not quote those TAs on import declarations made on and from that date.

Importers should also take care when quoting tariff classifications and TCOs on import declarations made on and from 1 January 2012, as the ICS will not accept those declarations if they quote tariff classifications repealed or TCOs revoked as a result of the HS2012 changes.

## **Other tariff, duty rate and statistical code changes for 1 January 2012**

Changes to concessional items of Schedule 4 of the Customs Tariff and associated by-laws:

- Item 41E (Automotive Competitiveness and Investment Scheme (ACIS)) - ACBPN 2011/42 advised of the closure of the Automotive Competitiveness and Investment Scheme (ACIS). ACIS credits expire on 31 December 2011. Item 41E in Schedule 4 of the Customs Tariff provided the administrative mechanism for ACIS. Treatment codes 611 and 612 that are linked to item 41E in Schedule 4 of the Customs Tariff will also cease to operate on 1 January 2012.
- Customs By-law No.0040028 was made for the purposes of item 41E of Schedule 4 and applied to goods imported under ACIS. By-law No.0040028 is not required after 31 December 2011.
- Item 68 (SPARTECA) - The SPARTECA (TCF Provisions) Scheme administered through item 68 of Schedule 4 of the Customs Tariff is due to expire on 31 December 2011. Consequently, treatment code 468 that gives effect to this Scheme will cease to operate from 1 January 2012.

- Customs By-law No.0618808 was made for the purposes of item 73 of Schedule 4 and applies to goods as defined in the Product Diversification Scheme for certain clothing and finished textiles. The *Customs Tariff Amendment Act (No. 1) 2010* amends the end-date of item 73 from 30 June 2017 to 30 June 2011. Consequently, By-law No.0618808 became redundant after 30 June 2011. This by-law will be formally revoked.

#### Reduction of duty rates under free trade agreements

Schedules 5, 7 and 8 of the Customs Tariff Working Pages specify phasing rates of duty for certain US, Chilean and AANZ originating goods, including footwear from the US, Chilean grapes and certain apparel items from the AANZ Free Trade Agreement. These phasing rates apply to goods entered for home consumption on or after 1 January 2012.

The Integrated Cargo System will apply these rates automatically from 1 January 2012.

#### Other statistical code changes

The Australian Bureau of Statistics has also advised of additional changes to the statistical codes contained in the Tariff Working Pages for 1 January 2012. These additional changes affect the following subheadings:

- Subheading 2008.60.00 (preserved cherries); for new statistical code 35, the unit of quantity should be litres not kilograms; and
- Subheading 3702.54.00 (certain unexposed film); replace statistical code 33 with 38 (Unit of quantity remains No.).

#### Alternative fuels legislation

Importers are reminded that the *Customs Tariff Amendment (2012 Harmonized System Changes) Act 2011* will make further changes to the Customs Tariff for petroleum products with effect from 1 January 2012. Australian Customs and Border Protection Notice 2011/47 refers.

These changes are incorporated in the Customs Tariff Working pages distributed in early November in connection with the HS2012 changes.

## **Customs Tariff Working Pages**

### Changes operative 1 January 2012

Customs and Border Protection will issue the following Customs Tariff Working Pages in the week commencing 5 December 2011 in connection with the changes mentioned above. Schedule 3 page 91/5 indicates that subheading 9114.20.00 is repealed.

#### Schedule 3

20/5 (R.7)                      37/3 (R.7)                      91/5 (R.5)

Schedule 5                      Schedule 7                      Schedule 8

5/65 (R.3)                      7/47(R.1)                      8/35 (R.2)  
8/37 (R.1)

#### By-Laws

Part 2/53 (R.5)                      Part 2/54A (R.2)                      Part 2/61 (R.7)  
Part 2/75 (R.5)                      Part 2/117 (R.5)

## Enquiries

In the first instance, those seeking information on the HS2012 changes and their consequential amendments should refer to the special HS2012 page on the Customs website, at <http://www.customs.gov.au>, accessible from the Tariff page. The HS2012 page contains links to all available information relevant to the proposed changes.

If you require any further information about the proposed changes to the Customs Tariff or the statistical codes, please direct any inquiries to the following contacts:

for changes to the Customs Tariff Working Pages

Manager Tariff HS2012 Project  
Australian Customs and Border Protection Service  
5 Constitution Avenue  
CANBERRA ACT 2601  
Ph: (02) 6275 6095  
Email: [TARLEG@customs.gov.au](mailto:TARLEG@customs.gov.au)

for changes to the statistical codes

Classification Manager  
International Trade Section  
Australian Bureau of Statistics  
Ph: (02) 6252 5409  
E-mail: [international.trade@abs.gov.au](mailto:international.trade@abs.gov.au)

(signed)  
Sharon Nyakuengama  
A/g National Director Trade and Compliance

30 November 2011

<b>HS 2012 TCO CONCORDANCE – TCOs revoked and replaced for 1 January 2012</b>				
<b>Current Classification</b>	<b>Current TCO No.</b>	<b>Brief Description</b>	<b>New Classification</b>	<b>New TCO No.</b>
2903.49.10	9609368	Chlorodifluoromethane	2903.71.00	1127095
2903.49.10	9702814	1,1-dichloro-1-fluoroethane	2903.73.00	1127102
2903.49.10	9702820	Dichlorotrifluoroethane	2903.72.00	1127099
2903.61	8531951	Chlorobenzenes	2903.91.00	1127104
2903.61.00	9305454	Paradichlorobenzene	2903.91.00	1127107
2903.61.00	9405019	Orthodichlorobenzene	2903.91.00	1127111
2931.00.10	0208033	Glyphosate, technical	2931.90.10	1127115
3005.90.90	1026179	Incontinence pads	9619.00.10	1127134
3005.90.90	1026025	Incontinence pants	9619.00.10	1127131
3005.90.90	1119542	Incontinence pads, adult	9619.00.10	1135153
3702.52	8734596	Film, cinematographic	3702.52.90	1127119
3702.93	8734719	Film, photographic	3702.96.90	1127124
3702.93	8810605	Film spectral sensitivity	3702.96.90	1127128
4818.40.90	0716337	Pants disposable	9619.00.29	1134372
4818.40.90	0800042	Pants disposable	9619.00.29	1134375
5601.10.90	9305048	Nursing pads	9619.00.29	1134376
7418.19.00	9605026	Blanks, brass	7418.10.00	1130544
7615.19	9602349	Dispensers, cream	7615.10.00	1130550
7615.19	9602350	Coffee maker	7615.10.00	1130575
7615.19	9603329	Syphons, soda	7615.10.00	1130540
7615.19.00	1110345	Bottle, beverage	7615.10.00	1130460
7615.19.00	1007624	Moulds, ice	7615.10.00	1130465
7615.19.00	1006378	Bins, waste	7615.10.00	1130469
7615.19.00	0906874	Egg rings, diffuser	7615.10.00	1130494
7615.19.00	0617298	cookware	7615.10.00	1130499
7615.19.00	0708935	Baskets, etc..	7615.10.00	1130502
7615.19.00	0708942	Baskets, tablewares	7615.10.00	1132500
7615.19.00	0708943	Utensils,...bag dispensers...etc	7615.10.00	1132501
7615.19.00	0718999	Ovens, solar	7615.10.00	1132503
7615.19.00	0803627	Containers	7615.10.00	1132504
7615.19.00	0815983	Containers, smooth lids	7615.10.00	1132506
7615.19.00	0818848	Buckets, hot water bottles	7615.10.00	1132507
7618.19.00	0821517	Container lined	7615.10.00	1132508
7615.19.00	9601901	Sink strainers	7615.10.00	1132509
7615.19.00	9602590	Camping equipment	7615.10.00	1134384
7615.19.00	9602641	Outdoor stove sets	7615.10.00	1134388
7615.19.00	9801112	Camping equipment	7615.10.00	1134435
7615.19.00	1105242	Sets, roasting, having	7615.10.00	1134438
8201.20.00	9401312	Garden forks	8201.90.00	1134436
8201.20.00	9505722	Golf divot repairer	8201.90.00	1134437
8507.80.00	0916169	Accumulator, lithium polymer	8507.60.00	1130532
8507.80.00	0515321	Accumulator lithium-ion	8507.60.00	1130471
8507.80.00	0613933	Accumulator lithium-ion	8507.60.00	1130471
		Accumulator nickel metal hydride	8507.50.00	1130464
8507.80.00	9404372	Accumulator/batteries nickel metal hydride	8507.50.00	1130464
8507.80.00	9407857	Accumulators lithium-ion	8507.60.00	1130471
8507.80.00	9509113	Accumulators rechargeable nickel metal hydride	8507.50.00	1130464

<b>HS 2012 TCO CONCORDANCE – TCOs revoked and replaced for 1 January 2012</b>				
<b>Current Classification</b>	<b>Current TCO No.</b>	<b>Brief Description</b>	<b>New Classification</b>	<b>New TCO No.</b>
8507.80.00	9509201	Accumulators mobile phone cellular NMH	8507.50.00	1130464
8507.80.00	9511625	Accumulator Battery –lithium ion	8507.60.00	1130471
8507.80.00	9604768	Cells rechargeable NMH	8507.50.00	1130464
8507.80.00	9810314	Accumulators lithium - ion	8507.60.00	1130471
8507.80.00	9910038	Accumulators or battery pack lithium ion	8507.60.00	1130471
8507.80.00	0206404	Accumulators NMH sealed moulded case	8507.50.00	1130464
8507.80.00	1048156	Battery packs, camcorder	8507.60.00	1130524
8540.72	9604119	Klystrons	8540.79.00	1134439
8714.19.10	0102404	Pipes, expansion chamber, motor cross	8714.10.10	1134480
8714.19.10	0102405	Exhausts, motor cross	8714.10.10	1134487
9008.30	8342279	Projectors, image opaque copy	9008.50.10	1134460
9305.29.00	9315580	Parts for muzzle loading rifles	9305.20.90	1134453
9504.90	9209007	Return units, tenpin bowling ball	9504.50.90	1134451
9504.90.90	0610217	Consoles hand held video game	9504.50.90	1134450
9608.39	8903017	Pens fountain	9608.30.90	1134444
9608.39	8906736	Calligraphy sets	9608.30.90	1134447
9608.39.00	9404752	Marker pens	9608.30.90	1134475
9608.39.00	9711274	Pens plotting machine	9608.30.90	1134479

Precedent	Current Item	Tariff Item post HS2012	Old Text	New Text
19570600	0714.90.10	0714.30.10	While in some places the terms sweet potato and yam are used interchangeably, they refer to different vegetables. Sweet potatoes are the edible roots of Ipomoea batatas. Yams are tubers of any of various climbing vines of the genus Dioscorea and are unrelated to the both the potato and sweet potato. Yams are similar roots and tubers to the exemplars given in 0714 and are classified to 0714.90.10 if frozen.	While in some places the terms sweet potato and yam are used interchangeably, they refer to different vegetables. Sweet potatoes are the edible roots of Ipomoea batatas. Yams are tubers of any of various climbing vines of the genus Dioscorea and are unrelated to the both the potato and sweet potato. Yams (Dioscorea spp.) that are fresh, chilled, frozen or dried are classifiable to 0714 and are classified to 0714.30.10 if frozen.
19570700	0714.90.90	0714.30.90	While in some places the terms sweet potato and yam are used interchangeably, they refer to different vegetables. Sweet potatoes are the edible roots of Ipomoea batatas. Yams are tubers of any of various climbing vines of the genus Dioscorea and are unrelated to the both the potato and sweet potato. Yams are similar roots and tubers to the exemplars given in 0714 and are classified to 0714.90.90	While in some places the terms sweet potato and yam are used interchangeably, they refer to different vegetables. Sweet potatoes are the edible roots of Ipomoea batatas. Yams are tubers of any of various climbing vines of the genus Dioscorea and are unrelated to the both the potato and sweet potato. Yams (Dioscorea spp.) that are fresh, chilled, frozen or dried are classifiable to 0714 and are classified to 0714.30.90 when fresh, chilled or dried.
19570900	1008.90.00	1008.60.00	As a hybrid of grains of 1001 and 1002, triticale is a grain different from both parents and is identified as an "other cereal" of 1008.	As a hybrid of grains of 1001 and 1002, triticale is a grain different from both parents and is classified in its own right in 1008.60.00.
19571000	1202.20.00	1202.42.00	The blanching process is not part of the process whereby the nuts are prepared for eating, rather it relates to the removal of the skins. As such, it does not form part of the cooking process and accordingly the goods are more specifically described as "ground nuts, not roasted or otherwise cooked" of heading 1202 than "nuts and other edible parts of plants, otherwise prepared or preserved" of heading 2008. (AAT decision Re: Gaganis Bros. Imported Food Wholesalers Pty. Ltd. and Collector of Customs Ref. S90/68 refers).	The blanching process is not part of the process whereby the nuts are prepared for eating, rather it relates to the removal of the skins. As such, it does not form part of the cooking process and accordingly the goods are more specifically described as "ground nuts, not roasted or otherwise cooked" of heading 1202 than "nuts and other edible parts of plants, otherwise prepared or preserved" of heading 2008. (AAT decision Re: Gaganis Bros. Imported Food Wholesalers Pty. Ltd. and Collector of Customs Ref. S90/68 refers). As peanuts are shelled prior to blanching, they fall to 1202.42.00

Precedent	Current Item	Tariff Item post HS2012	Old Text	New Text
20110200	2008.99.00	Unchanged	<p>This heading covers canned or bottled fruit puree which has not been cooked.</p> <p>The Macquarie defines 'pasteurise' as "to swiftly heat (milk, etc.) to a high temperature and then swiftly cool to a low temperature, in order to destroy certain microorganisms and prevent or arrest fermentation."</p> <p>Pasteurisation is a method to partially sterilised food. Unlike cooking, it does not aim to alter the substance of the food in order to prepare it for eating. Hence pasteurisation in the absence of other cooking does not require a fruit puree to be classified to 2007.</p> <p>Classification is to 2008, and, if made of a fruit other than those named in 2008.20.00 to 2008.80.00, is classified to 2008.99.00.</p>	<p>This heading covers canned or bottled fruit puree that has not been cooked.</p> <p>The Macquarie defines 'pasteurise' as "to swiftly heat (milk, etc.) to a high temperature and then swiftly cool to a low temperature, in order to destroy certain microorganisms and prevent or arrest fermentation."</p> <p>Pasteurisation is a method to partially sterilised food. Unlike cooking, it does not aim to alter the substance of the food in order to prepare it for eating. Hence pasteurisation in the absence of other cooking does not require a fruit puree to be classified to 2007.</p> <p>Classification is to 2008, and, if made of a single fruit other than those named in 2008.20.00 to 2008.93.00, is classified to 2008.99.00.</p>
19572800	2528.90.00	2528.00.00	No wording change required	
19573500	3002.10.00	3002.10.90	No wording change required	
19929800	3005.90.90	9619.00.10	<b>Precedent will be deleted as no longer required.</b>	
20136000	8714.19.90	8714.10.90	No wording change required	
19589000	9608.39.00	9608.30.90	<p>The set cannot be classified to 9608.50 as it does not contain two or more articles of the preceding subheadings. Goods are classified under IR 3(b), with the fountain pen identified as the component that provides the essential character.</p> <p>Classification of the set is to 9608.39.</p>	<p>The set cannot be classified to 9608.50 as it does not contain two or more articles of the preceding subheadings. Goods are classified under IR 3(b), with the fountain pen identified as the component that provides the essential character.</p> <p>Classification of the set is to 9608.30.90</p>

<b>Present Pre- January 2012</b>	<b>TA Status</b>	<b>Present Pre- January 2012</b>	<b>TA Status</b>
0306.23.00		5601.10.90	
0307.99.00		5801.34.00	
0604.99.00		5801.35.90	
0910.10.00		6107.11.00	
1212.99.00		6107.12.00	
1605.10.00		6108.21.00	
1605.20.00		6108.22.00	
2008.92.00	All TAs void	6111.30.90	
2009.80.00	All TAs void	6111.90.90	
2710.11.69		6209.20.90	
2710.11.70	All TAs void	6209.30.90	
2710.11.90		6406.99.10	All TAs void
2835.39.90		6406.99.20	All TAs void
2842.10.10		6406.99.99	
2849.90.00		6505.90.90	All TAs void
2850.00.00		7615.19.00	All TAs void
2903.69.00		8201.20.00	
2937.31.00		8205.80.00	
2937.90.00		8452.40.00	
3002.10.00	All TAs void	8456.90.00	
3002.90.00	All TAs void	8466.93.00	
3004.90.00		8479.89.90	
3005.10.00		8507.80.00	All TAs void
3005.90.90		8523.40.00	All TAs void
3201.90.00		8714.11.00	
3824.90.20		8714.19.10	
3913.90.00	All TAs void	8714.19.90	All TAs void
4818.40.90		9504.10.00	All TAs void
5601.10.10		9504.90.90	All TAs void

**Note:** Where the TA Status column is blank it indicates that some but not all TAs from this classification will be voided.