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## **AUSTRALIAN CUSTOMS NOTICE NO. 2009/25**

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### **Enhanced Project By-law Scheme (Item 71 of Schedule 4) – eligibility and compliance**

Before claiming concessional entry under an item of Schedule 4 to the *Customs Tariff Act 1995*, importers and customs brokers must make certain that all goods are eligible. For Enhanced Project By-law Scheme (EPBS) item 71, particular attention must be paid to ensuring that:

1. all goods satisfy the terms of item 71; and
2. the imported equipment is specified in an AusIndustry Determination granted for the relevant project.

Only then should treatment code 471, the relevant AusIndustry Determination and the access PIN be quoted on an import declaration.

Through item 71, the EPBS provides for the duty free entry of eligible capital goods for major investment projects in the following industries:

- mining;
- resource processing;
- agriculture;
- food processing;
- food packaging;
- manufacturing;
- gas supply;
- power supply; and
- water supply.

The Minister of Innovation, Industry, Science and Research (Innovation) has policy responsibility for the EPBS, which is administered by the AusIndustry Division of the Department of Innovation. According to current EPBS guidelines, to qualify for this concession investment projects must have a total project expenditure on capital goods of \$10 million or greater. Eligible goods are essentially capital equipment purchased for the project, such as:

- Functional units - One or more pieces of machinery, equipment or their components that are integrally connected to perform a process; or
- Procurement/equipment packages - A quantity of the same type of machinery, equipment and their components which is used across a project; or
- Pipes, pipelines, conveyors, flexible flow lines etc used to convey gas, liquids, minerals or other things; or
- Stainless steel materials to be directly incorporated into the goods identified above.

Only eligible goods that are not produced in Australia, or are technologically superior to those made in Australia, are eligible for a concession under the EPBS.

Goods that are ancillary to the project are not entitled to concessional treatment. This includes items such as office equipment; goods used in activities such as land preparation, road and building construction; personnel accommodation and transportation; off-site transportation and the provision of telecommunications and other general services. Consumables used in servicing and/or maintaining the capital equipment such as fuel, lubricants, adhesives, filters, protective garments, tools, ladders, paint and varnishes and the like are not considered to be components and are not covered by the EPBS. These conditions are generally reflected in the terms of AusIndustry Determinations granted for the purposes of the EPBS. There are no standing by-laws attached to Item 71.

To monitor compliance, imports may be subject to Customs and Border Protection post-clearance audits. Importers must retain all documentation relating to the imported goods for five years after the entry of the consignment.

Importers and customs brokers should review their past importations under item 71 to ensure compliance with the terms of the item and of the relevant AusIndustry Determinations.

Extensive information including a fact sheet, frequently asked questions, policy and administrative guidelines and application forms for the EPBS are available on the AusIndustry website at [www.ausindustry.gov.au](http://www.ausindustry.gov.au).

Previous Australian Customs Notices 2002/20, 2006/30 and 2007/14 refer to the EPBS.

Inquiries concerning this notice may be directed to Manager, Tariff Policy on telephone number (02) 6275 6095 or fax number (02) 6275 6471.

Alternatively, should you have an inquiry about EPBS eligibility or policy, please contact the AusIndustry Hotline on 13 28 46 or email [hotline@ausindustry.gov.au](mailto:hotline@ausindustry.gov.au)

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