



AUSTRALIAN CUSTOMS NOTICE NO. 2006/44

Customs Tariff Amendment (2007 Harmonized System Changes) Bill 2006

The World Customs Organization sponsors the International Convention on the Harmonized Commodity Description and Coding System, commonly referred to as the Harmonized System (HS). The HS obliges signatory parties, including Australia, to implement approximately 600 amendments to HS classifications, from 1 January 2007. The HS forms the basis of the Australian Customs Tariff (the Customs Tariff) and the Australian Harmonized Export Commodity Classification (AHECC).

The HS is reviewed approximately every five years. The aims of the current review (the third) are to amend the HS to delete those headings and subheadings where there are low levels of international trade; amend the system to reflect changes in industry practices and technological developments; and provide new subheadings to allow signatory parties to separately identify new products for community protection reasons. Many amendments are also designed to clarify the existing descriptions and terminology.

The present review requires approximately 1,200 changes to the Customs Tariff, affecting 20% of commodity classifications. These changes are spread throughout the Customs Tariff and will have at least some impact on most industry sectors.

The necessary legislation to amend the Customs Tariff has now been prepared and was introduced in the House of Representatives on 7 September 2006 as the Customs Tariff Amendment (2007 Harmonized System Changes) Bill 2006. As occurred with previous reviews of the HS, in 1996 and 2002, and in accordance with Government policy, the legislation has been designed to preserve, to the greatest extent possible, existing duty rates for imports into Australia, and margins of tariff preference accorded to Australia's trading partners.

Concordance and Explanatory Memorandum

A concordance of tariff items affected by the proposed changes to the Customs Tariff is available with this ACN from the special HS 2007 page on the Customs website at <http://www.customs.gov.au>, then select Import/Export and Customs Tariff. This concordance should be read in conjunction with the Explanatory Memorandum that was tabled in the Parliament with the legislation. This document is also available on the Customs website.

Statistical Codes

The Australian Bureau of Statistics (ABS) has begun the process of drafting new statistical codes for the proposed changes.

The proposed changes will be progressively made available on the ABS website. This may be accessed on the internet at www.abs.gov.au, then select Themes, Foreign Trade, Noticeboard. The ABS welcomes comments made, before 6 October 2006, on errors in the proposed statistical codes for the new revised tariff and AHECC headings and subheadings.

Other Matters

When the Bill is passed by the Parliament revised Customs Tariff working pages incorporating these HS related changes will be printed and distributed.

ACN 2006/45 is also being issued in conjunction with this ACN - it covers proposed arrangements for Tariff Advices, Tariff Precedents, Tariff Concession Orders and Origin Advices affected by the changes.

Enquiries

In the first instance, those seeking information on the HS 2007 proposed changes and their consequential amendments should refer to the special HS 2007 page on the Customs website at <http://www.customs.gov.au>, then select Import/Export and Customs Tariff. The HS 2007 page contains links to all available information relevant to the proposed changes.

Copies of these documents can also be e-mailed to Customs' clients. For this purpose, please e-mail your request to TARLEG@customs.gov.au.

If you require any further information about the proposed changes to the Customs Tariff, please contact Manager, Tariff Legislation on (02) 6275 6486 or Supervisor, Tariff Legislation on (02) 6275 6506.

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Trade for
Chief Executive Officer
13 September 2006