Australian Customs Notice 1998 27

**Specific policy criteria for item 47**

*Item* 47 in Schedule 4 to the Tariff reads:

47. *Goods as prescribed by by-law, being machinery that incorporates, or is imported with, other goods which render the machinery ineligible for a current Tariff Concession Order made under Part XVA of the Customs Act 1901.*

Item 47 was created to compensate for shortcomings in the earlier Commercial Tariff Concession Scheme (CTCS) in relation to certain capital equipment for use in the mining, construction and agricultural sectors. These shortcomings were largely overtaken by the implementation of the Tariff Concession System (TCS) in 1992.

Unlike the TCS, the CTCS provided a capacity for manufacturer of parts to object to the granting of a concession for whole goods.

*Item* 47 of Schedule 4 to the Tariff allows for the entry of complete capital equipment at concessional rates where a Commercial Tariff Concession Order (CTCO) has been granted which excludes certain original components that could be made in Australia. This enables importers of such equipment to avoid having to remove components excluded by a CTCO and shipping those components separately or obtaining them locally, in order to obtain the benefit of the concession for the balance of the equipment. At the time of commencement of this ACN, a duty rate of 3% applies to *item* 47.

Applicants seeking an *item* 47 concession should provide a submission in accordance with the General request procedures outlined in the body of this ACN.