AUSTRALIAN CUSTOMS NOTICE NO. 2006/30

Customs Tariff Proposal (No. 1) 2006 - Alterations to Items 31 and 71 of Schedule 4

Customs Tariff Proposal (No. 1) 2006 was tabled in Parliament on 15 June 2006. The Proposal contains alterations to the *Customs Tariff Act 1995* (the Customs Tariff), with effect from

1 July 2006, to:

* expand the terms of item 31 in Part II of Schedule 4 to the Customs Tariff; and
* expand the Enhanced Project By-law Scheme (item 71 in Part III of Schedule 4 to the Customs Tariff) to include the duty free entry of qualifying goods for the power supply and water supply industries.

Currently, item 31 allows for the duty free entry of aircraft parts, materials and test equipment for use in the manufacture, repair or maintenance of aircraft, other than textiles and goods made from textiles; and goods for use in the servicing of aircraft. The Proposal alters the item by omitting the words “repair or maintenance” and replacing them with “repair, maintenance or modification”. The effect of this alteration will be to allow certain goods for use in the modification of aircraft to be entered under item 31 at a rate of customs duty of Free.

Item 71 underpins the Enhanced Project By-law Scheme offering tariff concessions to major projects in the mining, resource processing, agriculture, food processing, food packaging, manufacturing and gas supply industries, for imported capital equipment that is not able to be sourced in Australia.

The Proposal expands item 71 to include capital equipment that is not able to be sourced in Australia for the power supply and water supply industries.

The following Customs Tariff reprint pages to reflect the above changes will be available in the week commencing 26 June 2006: Schedule 4/15 (R.9) and Schedule 4/35 (R.4).

Inquiries concerning this Notice may be directed to: Manager

Tariff Legislation

Australian Customs Service 5 Constitution Avenue

CANBERRA ACT 2601

Ph: 02 6275 6486

Philomena Carnell National Manager Trade CANBERRA ACT

for

Chief Executive Officer 21 June 2006

