Australian Customs Notice 2000 77

**Product Stewardship (Oil) (PSO) Scheme**

As part of the Measures for a Better Environment, announced by the Prime Minister on 28 May 1999, a decision was made to introduce a product stewardship scheme for waste oil. The scheme will use revenue, collected by a levy on certain oil products, to fund benefit payments to oil recyclers who are recycling oil in environmentally appropriate ways. The levy, commencing on 1 January 2001, will be collected as a 5 cent per litre excise on locally produced goods or a customs duty on imported products.

The PSO levy will apply to all goods that are currently classified within the following tariff subheadings: 3403.11.00

3403.19.00

3403.91.00

3403.99.00

3811.21.00

3819.00.00 (see Note)

The levy will also apply to petroleum based oils and greases that are currently classified within subheading 2710.00.90.

*Note: Some goods classified to subheading 3819.00.00 are subject to a Tariff Concession Order. Item 50 in Schedule 4 has therefore been amended and a new Item 50B has been created to provide for the collection of the levy on these goods.*

Revised tariff working papers to reflect these changes will be distributed in the week commencing 18 December 2000.

**Options for payment of the levy** *Direct for home consumption*

Importers importing directly for home consumption will pay the levy on Nature 10 entries. *Customs Warehouse*

Importers may wish to apply for a warehouse license to defer payment of the levy. Warehouse licensees are required to pay an annual fee for their licence. These fees are set annually and are $7000 for a new licence and

$4000 for a license renewal in financial year 2000-01. Alternatively, oil importers may use existing general warehouses licensed by Customs that provide, for a fee, storage for imported goods on which levy has not been paid.

Please also see information on excise manufacture and exempt blends. *Excise manufacture*

Products imported for use in excise manufacture can be imported using Item 44 in Part III of Schedule 4 of the Customs Tariff Act. Goods entered under that item do not attract the levy, instead it is collected as an excise on the finished product under the provisions of the Excise Act.

There are conditions imposed on the movement and storage of goods entered using Item 44. Contact the Australian Taxation Office (ATO) for more information (see below). Exempt blends

Under excise legislation, blending of excisable products is considered to be "manufacture" of those products and therefore entities who blend excisable products are required to be licensed as excise manufacturers and pay duty on the blend. There are some PSO related exemptions to this, which are provided for in excise regulations.

For further information regarding excise or exempt blends, please contact Mr Scott Meredith at the ATO on (02) 6216 8075.

For further information regarding Product Stewardship policy (Oil), please contact Graeme Marshall at Environment Australia on (02) 6274 1064.

To discuss Customs role in the PSO scheme, please contact Ms Kathy Elliot on (03) 9244 8586.

Phil Burns National Director Commercial (Date / / )