Australian Customs Notice 2001 42

**CONCESSIONAL ITEM 31 OF SCHEDULE 4 TO THE CUSTOMS TARIFF ACT 1995 - GUIDELINES**

In examining importations under item 31 of Schedule 4 to the *Customs Tariff Act 1995* ("Item 31") it is apparent that some goods are being entered under the Item incorrectly. This Australian Customs Notice is therefore provided for the information of importers and brokers to clarify the interpretation of the terms of Item 31.

Item 31 covers:

"Aircraft parts, materials and test equipment for use in the manufacture, repair or maintenance of aircraft, other than:

1. textiles and goods made from textiles;
2. goods for use in the servicing of aircraft"

Putting aside the exclusions at (a) and (b), there are two variable criteria, which must be addressed. Those criteria are that:

1. the goods are aircraft parts, materials or test equipment; and

3. the goods are for use in the manufacture, repair or maintenance of aircraft.

To qualify as aircraft parts and materials the goods must form integral elements of an aircraft (materials are the elements, substance or substances from which an aircraft is made or composed). Further, the parts and materials must be consumed into the whole of the aircraft during the act of manufacture, repair or maintenance.

Test equipment only covers those instruments, apparatus or equipment used to test the aircraft or components of the aircraft during the act of manufacture, repair or maintenance.

Examples of goods that do not qualify for duty free admission under Item 31 using these guidelines include, but are not limited to:

* consumables, such as oil, fuel, food, beverages and the like, used in the servicing of aircraft;
* tools (including specialist hand tools), stands, towbars, hoists and jacks; portable fire extinguishers;

headsets (including aviator headsets), lifejackets and liferafts; aircraft navigation aids and refuelling equipment.

**NOTE:**

Entry requirements for Item 31 call for the goods to be entered under the tariff classification and statistical key set out in Schedule 3 to the Customs Tariff Act 1995 before claiming the concessional Item.

Goods that attract a rate of duty of "free" in their own right under Schedule 3 are ineligible to claim Item 31 in accordance with subsection 18(1) of *the Customs Tariff Act 1995.*

Importers and their brokers must verify at the time of entry for home consumption that the goods are initially dutiable at a substantive rate of duty.

It is not a consideration when interpreting the terms of Item 31 that the Civil Aviation Safety Authority, under its Regulations, may require the inclusion of certain pieces of equipment mandatory for the operation of an aircraft.

Where the goods are being imported for an aircraft under a specifically related project and the value of the project exceeds $10 million, importers should give consideration to making an application through AusIndustry for project status and the use of a Project By-Law concession.

These guidelines replace previous written advices regarding Item 31 and part of Australian Customs Notice (ACN) No.91/165 which deals with Item 31. The guidelines take effect from the date of issue of this notice.

Questions concerning this ACN should be directed to the Manager, Tariff Concessions By-Laws, on (02) 62756571.

Information about Project By-Law concessions can be obtained by contacting AusIndustry through their Business Hotline on 132846.

Tom Marshall National Manager Tariff Branch

For

Chief Executive Officer July 2001

(Tariff Concessions - C01/01436)