Australian Customs Notice 2001 53

**Amendments to the Australian Customs Tariff Resulting from the Second Review of the Harmonized Commodity Description and Coding System**

ACN 2001/13 advised of changes to the Harmonized Commodity Description and Coding System, commonly referred to as the Harmonized System (HS). The HS forms the basis of Australia's Customs Tariff and the Australian Harmonized Export Commodity Classification (AHECC). The HS is sponsored by the World Customs Organization (WCO) and is reviewed every five years. The aim of the current review (the second) is to amend the HS to reflect changing patterns of international trade, to separately identify new products (for example, certain categories of waste) and to reflect changes in industry practices and technological developments.

The requested amendments to the HS are incorporated in *Customs Tariff Amendment Bill (No. 5) 2001*. This Bill contains approximately 800 amendments to the *Customs Tariff Act 1995*. The Bill was passed by the House of Representatives on 23 August 2001 and by the Senate on 30 August 2001 and it is expected that it will receive the Royal Assent in the near future.

The legislation has been designed to preserve existing duty rates and margins of tariff preference accorded Australia's trading partners. To achieve this, a large number of national tariff splits have been created in addition to the changes recommended by the WCO.

The HS changes are spread throughout the Customs Tariff and have at least some impact on most industries and commodity groups.

In some cases, for example, refined petroleum products of heading 2710, and paper and paper products of Chapter 48, the resulting domestic structure required to preserve existing duty rates and margins of preference is complex. However, the established rules of tariff classification will continue to apply and the description of those goods will simply lead to classification in a different tariff heading or subheading.

The HS second review specifies that certified reference materials are to be classified solely in tariff heading 3822. Certified reference materials are defined as "materials used for analytical purposes and which are accompanied by a certificate specifying the values of their certified properties". A single tariff subheading, 3822.00.50, has been created for these goods and assigned a duty rate of Free. Item 63 in Schedule 4 of the Customs Tariff will continue to apply to certain other reference materials.

*Customs Tariff Amendment Bill (No. 5) 2001* will be available for purchase from Government bookshops later this year and also through the Parliament House website.

Prior to that occurring however, a useful summary of the changes is available on the Australian Bureau of Statistics (ABS) website. This may be accessed on the internet at [www.abs.gov.au](http://www.abs.gov.au/). Then select Themes, International Trade, Classification - Harmonized System Review 2002. This website also invites comments on the proposed statistical codes for the new or revised tariff headings and subheadings.

A concordance of tariff items affected by the changes is available with this ACN from the Australian Customs website. This concordance should be read in conjunction with the two accompanying summary documents: a general explanation of the changes and a summary of the changes that result from the amendment of Note 7 to Chapter 48. This Note has been renumbered as Note 8 and specifies the sizes of paper and paperboard permitted in headings 4801 to 4811 of the Customs Tariff.

Copies of these documents can also be e-mailed, if required, to Customs clients. For this purpose, please e-mail your request to [TARLEG@customs.gov.au](mailto:TARLEG@customs.gov.au).

Revised Customs Tariff working pages incorporating these changes will be printed and distributed in early December.

A separate ACN will be issued in the near future in respect of Tariff Advices, TAPIN, Tariff Concession Orders and by-laws affected by the changes.

If you require any further information about the changes to the Customs Tariff, please contact Judy Sutton, Manager, Tariff Legislation and External Review, on (02) 6275 6486 or Nick Blackaby, Customs Supervisor, Tariff

Legislation, on (02) 6275 6506.

For further information concerning the proposed changes to statistical codes, please contact Marion Hall, HS Review Team, at the ABS on (02) 6252 6379.

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