**DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION NOTICE**

**No.2016/36**

**Introduction of the Customs Tariff Amendment (Expanded Information Technology Agreement Implementation and Other Measures) Bill 2016**

On 20 October 2016, the Assistant Minister for Immigration and Border Protection introduced the Customs Tariff Amendment (Expanded Information Technology Agreement Implementation and Other Measures) Bill 2016 (the Bill) into the House of Representatives.

Subject to the Bill becoming an act of Parliament it will amend the *Customs Tariff Act 1995* (the Customs Tariff Act) to incrementally reduce customs duty rates to ‘Free’ on a range of information technology products.

The Bill gives effect to Australia’s obligations under the World Trade Organization’s Expanded Information Technology Agreement (the Expanded ITA) and the 2016-17 Budget Measure ‘World Trade Organization – Information Technology Agreement’. The Australian Government consulted domestic manufacturers and importers during the Expanded ITA negotiation process in 2012-15.

Further information including the text of the Bill, explanatory memorandum and second reading speech can be found on the Parliament House

website: [http://www.aph.gov.au/Parliamentary\_Business/Bills\_Legislation/Bills\_Search\_Resu](http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r5749) [lts/Result?bId=r5749](http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r5749)

The Bill contains two schedules. The amendments to give effect to the Expanded Information Technology Agreement are in Schedule 1. Schedule 2 contains other minor technical amendments that serve to reduce the size to the Customs Tariff by removing a large number of obsolete customs duty rates.

# Timing of reductions

The first incremental customs duty rate reductions will occur on 1 January 2017. Annual reductions will then commence from 1 July 2017 until 1 July 2021.

# Staging categories

The size and timing of the reduction to customs duty rates is determined by the staging category assigned to each affected tariff subheading. There are seven staging under the Expanded ITA outlined in Table 1. The staging category assigned to an individual tariff subheading is determined by the commitments made under the Expanded ITA.

The details of the staging categories, including the tariff subheadings assigned to each staging category can be found at Attachment A.

# Concordance

New tariff classifications have been created to separately identify specific information technology products. This will result in a transfer of goods between tariff subheadings. A concordance of the amendments proposed by the Bill is at Attachment B. This information is

a guide only. For entry purposes, goods should still be classified in accordance with all of the relevant provisions of the Customs Tariff Act.

# Other measures

The amendments to the Customs Tariff Act proposed in Schedule 2 of the Bill are minor technical amendments and remove redundant information. These amendments will not change the collection of customs duties.

# Interaction with the 2017 Harmonized System Changes

The provisions in the Bill are drafted to be consistent with the amendments proposed by the Customs Tariff Amendment (2017 Harmonized System Changes) Bill 2016 (the Harmonized System Bill), which is currently before the Parliament (see DIBPN 2016/34).

Subject to both Bills becoming Acts of Parliament, the provisions in Schedule 1 of the Bill will commence immediately following the Harmonized System Bill.

The provisions in Schedule 2 will commence 28 days after the Bill receives Royal Assent.

# Working pages

Subject to the Bill becoming an Act of Parliament, relevant tariff working pages will be made available prior to 1 January 2017.

The Bill introduces new subheadings, where required, to separately identify specific goods. Any margins of tariff preference will be maintained. The Bill also makes relevant corresponding changes to Schedules 5 to 12.

# Table 1: Staging categories for the Expanded Information Technology Agreement

|  |  |
| --- | --- |
| **Staging categories for tariff subheading** | **Customs duty rates and dates of effect** |
| **Staging category A** | Current customs duty rate 5% From 1 January 2017: 3.75%  From 1 July 2017: 2.50%  From 1 July 2018: 1.25%  From 1 July 2019: Free |
| **Staging category B** | Current customs duty rate 5% From 1 July 2018: 2.50%  From 1 July 2019: Free |
| **Staging category C** | Current customs duty rate 5% From 1 July 2018: 3.75%  From 1 July 2019: Free |
| **Staging category D** | Current customs duty rate 5% From 1 July 2018: 4.75%  From 1 July 2019: Free |
| **Staging category E** | Current customs duty rate 5%  From 1 July 2019: Free |
| **Staging category F** | Current customs duty rate 5% From 1 July 2020: 2.50%  From 1 July 2021: Free |
| **Staging category G** | Current customs duty rate 5% From 1 July 2020: 3.83%  From 1 July 2021: Free |

Please direct any inquiries about the above changes to customs duty rates to the following contact:

Assistant Director - Legislation Trade Policy

Department of Immigration and Border Protection Email: [trade.policy@border.gov.au](mailto:trade.policy@border.gov.au)

(signed) (signed)

|  |  |
| --- | --- |
| Jane McClintock  Acting Assistant Secretary Trade and Customs Branch  4 November 2016 | Alison Whatson Acting Commander Customs Compliance  7 November 2016 |

**Attachment A**

**Staging Categories**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Affected Tariff Subheadings\*** | | | |
| Staging Category A | 8443.91.10 | 8486.30.40 | 8486.90.93 |  |
| 8472.90.10 | 8486.40.91 | 9001.90.10 |
| 8486.20.40 | 8486.90.91 | 9028.30.00 |
| Staging Category B | 3215.11.00 | 3923.10.10 | 8423.89.10 | 8486.90.92 |
| 3215.19.00 | 4911.99.10 | 8423.90.10 | 8515.90.10 |
| 3506.91.10 | 8414.59.20 | 8475.90.10 | 8518.29.90 |
| 3701.30.00 | 8419.50.20 | 8476.89.10 | 8527.21.10 |
| 3701.99.00 | 8421.29.10 | 8476.90.10 | 8527.29.00 |
| 3705.00.99 | 8423.20.10 | 8486.20.30 | 8531.90.90 |
| 3707.90.00 | 8423.30.10 | 8486.40.39 | 8539.39.10 |
| 3907.99.20 | 8423.81.10 | 8486.90.30 | 9010.90.20 |
| 3919.90.10 | 8423.82.10 | 8486.90.40 | 9010.90.30 |
| Staging Category C | 8414.10.10 | 8486.90.20 | 8519.81.90 | 8529.10.90 |
| 8421.39.10 | 8486.90.60 | 8519.89.30 | 8529.90.30 |
| 8421.99.10 | 8486.90.99 | 8519.89.90 | 8529.90.90 |
| 8424.89.20 | 8504.40.90 | 8523.21.00 | 8536.30.00 |
| 8424.90.10 | 8515.19.20 | 8525.50.00 | 8538.10.90 |
| 8479.89.20 | 8517.69.10 | 8525.80.90 | 8543.20.00 |
| 8479.89.30 | 8517.70.10 | 8526.10.00 | 8543.30.10 |
| 8479.90.10 | 8518.10.90 | 8526.91.00 | 8543.90.90 |
| 8486.10.30 | 8518.22.00 | 8526.92.00 | 9010.60.00 |
| 8486.10.90 | 8518.30.90 | 8527.19.00 | 9031.10.20 |
| 8486.20.90 | 8518.40.90 | 8527.91.00 | 9504.30.90 |
| 8486.30.30 | 8518.50.00 | 8527.99.00 | 9504.50.90 |
| 8486.30.90 | 8519.81.20 | 8528.71.10 | 9620.00.31 |
| 8486.40.99 | 8519.81.41 | 8529.10.30 | 9620.00.33 |
| Staging Category D | 8504.90.90 |  |  |  |
| Staging Category E | 5911.90.20 | 8504.50.90 | 8514.30.10 | 8514.90.10 |
| 8486.40.31 |
| Staging Category F | 8518.21.00 | 8536.90.90 |  |  |
| Staging Category G | 8536.50.10 | 8536.50.93 | 8536.50.99 |  |

\* Tariff Subheadings in force from 1 January 2017.

**Attachment B**

**Concordance**

|  |  |  |  |
| --- | --- | --- | --- |
| **Classification before 1**  **January 2017** | **Classification 1**  **January 2017 onwards** | **Classification 1**  **January 2017 onwards** | **Classification before 1**  **January 2017** |
| 3215.11.00 | 3215.11.00 | 3215.11.00 | 3215.11.00 |
| 3215.19.00 | 3215.19.00 | 3215.19.00 | 3215.19.00 |
| 3506.91.00 | 3506.91.10 | 3506.91.10 | 3506.91.00 |
|  | 3506.91.90 | 3506.91.90 | 3506.91.00 |
| 3701.30.00 | 3701.30.00 | 3701.30.00 | 3701.30.00 |
| 3701.99.00 | 3701.99.00 | 3701.99.00 | 3701.99.00 |
| 3705.90.90 | 3705.00.99\* | 3705.00.99\* | 3705.90.90 |
| 3707.90.00 | 3707.90.00 | 3707.90.00 | 3707.90.00 |
| 3907.99.90 | 3907.99.20 | 3907.99.20 | 3907.99.90 |
|  | 3907.99.90 | 3907.99.90 | 3907.99.90 |
| 3919.90.00 | 3919.90.10 | 3919.90.10 | 3919.90.00 |
|  | 3919.90.90 | 3919.90.90 | 3919.90.00 |
| 3923.10.00 | 3923.10.10 | 3923.10.10 | 3919.90.00 |
|  | 3923.10.90 | 3923.10.90 | 3919.90.00 |
| 4911.99.00 | 4911.99.10 | 4911.99.10 | 3919.90.00 |
|  | 4911.99.90 | 4911.99.90 | 3919.90.00 |
| 5911.90.90 | 5911.90.20 | 5911.90.20 | 5911.90.90 |
|  | 5911.90.90 | 5911.90.90 | 5911.90.90 |
| 8414.10.00 | 8414.10.10 | 8414.10.10 | 8414.10.00 |
|  | 8414.10.90 | 8414.10.90 | 8414.10.00 |
| 8414.59.90 | 8414.59.20 | 8414.59.20 | 8414.59.90 |
|  | 8414.59.90 | 8414.59.90 | 8414.59.90 |
| 8419.50.10 | 8419.50.30 | 8419.50.30 | 8419.50.10 |
| 8419.50.90 | 8419.50.20 | 8419.50.20 | 8419.50.90 |
|  | 8419.50.90 | 8419.50.90 | 8419.50.90 |
| 8421.29.00 | 8421.29.10 | 8421.29.10 | 8421.29.00 |
|  | 8421.29.90 | 8421.29.90 | 8421.29.00 |
| 8421.39.00 | 8421.39.10 | 8421.39.10 | 8421.39.00 |
|  | 8421.39.90 | 8421.39.90 | 8421.39.00 |
| 8421.99.00 | 8421.99.10 | 8421.99.10 | 8421.99.00 |
|  | 8421.99.90 | 8421.99.90 | 8421.99.00 |
| 8423.20.00 | 8423.20.10 | 8423.20.10 | 8423.20.00 |
|  | 8423.20.90 | 8423.20.90 | 8423.20.00 |
| 8423.30.00 | 8423.30.10 | 8423.30.10 | 8423.30.00 |
|  | 8423.30.90 | 8423.30.90 | 8423.30.00 |
| 8423.81.00 | 8423.81.10 | 8423.81.10 | 8423.81.00 |
|  | 8423.81.90 | 8423.81.90 | 8423.81.00 |
| 8423.82.00 | 8423.82.10 | 8423.82.10 | 8423.82.00 |
|  | 8423.82.90 | 8423.82.90 | 8423.82.00 |
| 8423.89.00 | 8423.89.10 | 8423.89.10 | 8423.89.00 |
|  | 8423.89.90 | 8423.89.90 | 8423.89.00 |

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| --- | --- | --- | --- |
| 8423.90.00 | 8423.90.10 | 8423.90.10 | 8423.90.00 |
|  | 8423.90.90 | 8423.90.90 | 8423.90.00 |
| 8424.89.90 | 8424.89.20 | 8424.89.20 | 8424.89.90 |
|  | 8424.89.90 | 8424.89.90 | 8424.89.90 |
| 8424.90.90 | 8424.90.10 | 8424.90.10 | 8424.90.90 |
|  | 8424.90.90 | 8424.90.90 | 8424.90.90 |
| 8443.91.10 | 8443.91.10 | 8443.91.10 | 8443.91.10 |
| 8472.90.10 | 8472.90.10 | 8472.90.10 | 8472.90.10 |
| 8475.90.00 | 8475.90.10 | 8475.90.10 | 8475.90.00 |
|  | 8475.90.90 | 8475.90.90 | 8475.90.00 |
| 8476.89.00 | 8476.89.10 | 8476.89.10 | 8476.89.00 |
|  | 8476.89.90 | 8476.89.90 | 8476.89.00 |
| 8476.90.00 | 8476.90.10 | 8476.90.10 | 8476.90.00 |
|  | 8476.90.90 | 8476.90.90 | 8476.90.00 |
| 8479.89.90 | 8479.89.20 | 8479.89.20 | 8479.89.90 |
|  | 8479.89.30 | 8479.89.30 | 8479.89.90 |
|  | 8479.89.90 | 8479.89.90 | 8479.89.90 |
| 8479.90.00 | 8479.90.10 | 8479.90.10 | 8479.90.00 |
|  | 8479.90.90 | 8479.90.90 | 8479.90.00 |
| 8486.10.30 | 8486.10.30 | 8486.10.30 | 8486.10.30 |
| 8486.10.90 | 8486.10.90 | 8486.10.90 | 8486.10.90 |
| 8486.20.30 | 8486.20.30 | 8486.20.30 | 8486.20.30 |
| 8486.20.90 | 8486.20.40 | 8486.20.40 | 8486.20.90 |
|  | 8486.20.90 | 8486.20.90 | 8486.20.90 |
| 8486.30.30 | 8486.30.30 | 8486.30.30 | 8486.30.30 |
| 8486.30.90 | 8486.30.40 | 8486.30.40 | 8486.30.90 |
|  | 8486.30.90 | 8486.30.90 | 8486.30.90 |
| 8486.40.30 | 8486.40.31 | 8486.40.31 | 8486.40.30 |
|  | 8486.40.39 | 8486.40.39 | 8486.40.30 |
| 8486.40.90 | 8486.40.91 | 8486.40.91 | 8486.40.90 |
|  | 8486.40.99 | 8486.40.99 | 8486.40.90 |
| 8486.90.20 | 8486.90.20 | 8486.90.20 | 8486.90.20 |
| 8486.90.30 | 8486.90.30 | 8486.90.30 | 8486.90.30 |
| 8486.90.40 | 8486.90.40 | 8486.90.40 | 8486.90.40 |
| 8486.90.60 | 8486.90.60 | 8486.90.60 | 8486.90.60 |
| 8486.90.90 | 8486.90.91 | 8486.90.91 | 8486.90.90 |
|  | 8486.90.92 | 8486.90.92 | 8486.90.90 |
|  | 8486.90.93 | 8486.90.93 | 8486.90.90 |
|  | 8486.90.99 | 8486.90.99 | 8486.90.90 |
| 8504.40.90 | 8504.40.90 | 8504.40.90 | 8504.40.90 |
| 8504.50.90 | 8504.50.90 | 8504.50.90 | 8504.50.90 |
| 8504.90.90 | 8504.90.90 | 8504.90.90 | 8504.90.90 |
| 8514.30.00 | 8514.30.10 | 8514.30.10 | 8514.30.00 |
|  | 8514.30.90 | 8514.30.90 | 8514.30.00 |
| 8514.90.00 | 8514.90.10 | 8514.90.10 | 8514.90.00 |
|  | 8514.90.90 | 8514.90.90 | 8514.90.00 |
| 8515.19.90 | 8515.19.20 | 8515.19.20 | 8515.19.90 |

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| --- | --- | --- | --- |
|  | 8515.19.90 | 8515.19.90 | 8515.19.90 |
| 8515.90.00 | 8515.90.10 | 8515.90.10 | 8515.90.00 |
|  | 8515.90.90 | 8515.90.90 | 8515.90.00 |
| 8517.69.10 | 8517.69.10 | 8517.69.10 | 8517.69.10 |
| 8517.70.10 | 8517.70.10 | 8517.70.10 | 8517.70.10 |
| 8518.10.90 | 8518.10.90 | 8518.10.90 | 8518.10.90 |
| 8518.21.00 | 8518.21.00 | 8518.21.00 | 8518.21.00 |
| 8518.22.00 | 8518.22.00 | 8518.22.00 | 8518.22.00 |
| 8518.29.90 | 8518.29.90 | 8518.29.90 | 8518.29.90 |
| 8518.30.90 | 8518.30.90 | 8518.30.90 | 8518.30.90 |
| 8518.40.90 | 8518.40.90 | 8518.40.90 | 8518.40.90 |
| 8518.50.00 | 8518.50.00 | 8518.50.00 | 8518.50.00 |
| 8519.81.20 | 8519.81.20 | 8519.81.20 | 8519.81.20 |
| 8519.81.41 | 8519.81.41 | 8519.81.41 | 8519.81.41 |
| 8519.81.90 | 8519.81.90 | 8519.81.90 | 8519.81.90 |
| 8519.89.30 | 8519.89.30 | 8519.89.30 | 8519.89.30 |
| 8519.89.90 | 8519.89.90 | 8519.89.90 | 8519.89.90 |
| 8523.21.00 | 8523.21.00 | 8523.21.00 | 8523.21.00 |
| 8525.50.00 | 8525.50.00 | 8525.50.00 | 8525.50.00 |
| 8525.80.90 | 8525.80.90 | 8525.80.90 | 8525.80.90 |
| 8526.10.00 | 8526.10.00 | 8526.10.00 | 8526.10.00 |
| 8526.91.00 | 8526.91.00 | 8526.91.00 | 8526.91.00 |
| 8526.92.00 | 8526.92.00 | 8526.92.00 | 8526.92.00 |
| 8527.19.00 | 8527.19.00 | 8527.19.00 | 8527.19.00 |
| 8527.21.00 | 8527.21.10 | 8527.21.10 | 8527.21.00 |
|  | 8527.21.90 | 8527.21.90 | 8527.21.00 |
| 8527.29.00 | 8527.29.00 | 8527.29.00 | 8527.29.00 |
| 8527.91.00 | 8527.91.00 | 8527.91.00 | 8527.91.00 |
| 8527.99.00 | 8527.99.00 | 8527.99.00 | 8527.99.00 |
| 8528.71.10 | 8528.71.10 | 8528.71.10 | 8528.71.10 |
| 8529.10.30 | 8529.10.30 | 8529.10.30 | 8529.10.30 |
| 8529.10.90 | 8529.10.90 | 8529.10.90 | 8529.10.90 |
| 8529.90.30 | 8529.90.30 | 8529.90.30 | 8529.90.30 |
| 8529.90.90 | 8529.90.50 | 9620.00.31\* | 8529.90.30 |
|  | 8525.90.90 | 8525.90.90 | 8529.90.90 |
| 8531.90.90 | 8531.90.90 | 8529.90.50 | 8529.90.90 |
| 8536.30.00 | 8536.30.00 | 9620.00.33\* | 8529.90.90 |
| 8536.50.10 | 8536.50.10 | 8531.90.90 | 8531.90.90 |
| 8536.50.93 | 8536.50.93 | 8536.30.00 | 8536.30.00 |
| 8536.50.99 | 8536.50.99 | 8536.50.10 | 8536.50.10 |
| 8536.90.90 | 8536.90.20 | 8536.50.93 | 8536.50.93 |
|  | 8536.90.90 | 8536.50.99 | 8536.50.99 |
| 8538.10.90 | 8538.10.90 | 8536.90.20 | 8536.90.90 |
| 8539.39.00 | 8539.39.10 | 8536.90.90 | 8536.90.90 |
|  | 8539.39.90 | 8538.10.90 | 8538.10.90 |
| 8543.20.00 | 8543.20.00 | 8539.39.10 | 8539.39.00 |
| 8543.30.00 | 8543.30.10 | 8539.39.90 | 8539.39.00 |

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| --- | --- | --- | --- |
|  | 8543.30.90 | 8543.20.00 | 8543.20.00 |
| 8543.90.90 | 8543.90.90 | 8543.30.10 | 8543.30.00 |
| 9001.90.30 | 9001.90.10 | 8543.30.90 | 8543.30.00 |
| 9010.60.00 | 9010.60.00 | 8543.90.90 | 8543.90.90 |
| 9010.90.20 | 9010.90.20 | 9001.90.10 | 9001.90.30 |
| 9010.90.30 | 9010.90.30 | 9010.60.00 | 9010.60.00 |
| 9028.30.00 | 9028.30.00 | 9010.90.20 | 9010.90.20 |
| 9031.10.20 | 9031.10.20 | 9010.90.30 | 9010.90.30 |
| 9504.30.00 | 9504.30.10 | 9028.30.00 | 9028.30.00 |
|  | 9504.30.90 | 9031.10.20 | 9031.10.20 |
| 9504.50.90 | 9504.50.90 | 9504.30.10 | 9504.30.00 |
| 8529.90.30 | 9620.00.31\* | 9504.30.90 | 9504.30.00 |
| 8529.90.90 | 9620.00.33\* | 9504.50.90 | 9504.50.90 |

\* Tariff subheadings affected by the 2017 Harmonized System changes.