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## Customs, Trade and Transport e-alert

# Australian Government announces new steel plan including changes to TCO and EPBS arrangements

Our e-alert of 17 June 2009 drew attention to the issue of Australian Customs' Notice No. 2009/25 ("**ACN**") by the Australian Customs and Border Protection Service ("**Customs**") and the impending close attention by Customs to the use of the Enhanced Project By-law Scheme ("**EPBS**"). The e-alert also referred to concerns that there may have been revenue "leakage" from misuse of concessional entry schemes such as the EPBS and that such misuse would also disadvantage local manufacturers.

These concerns have now found new shape at the ALP National Conference on 30 July 2009 with the announcement of a new \$2.1 billion plan ("**Plan**") for the steel and related industries.

According to various press reports, the Plan contains the following elements.

- A "harder" line in scrutinizing Australian content in big projects to determine that the relevant content is truly entitled to concessional treatment. This is seen as a move away from the "self-assessment" of Australian content under the Australian Industry Participation Framework established by the previous Government.
- Changes to the Tariff Concession Order ("**TCO**") and EPBS arrangements. Presumably this will also have an impact on industries other than the steel industry.
- A new "Steel Industry Innovation Council" comprising employers, unions, industry bodies, Government and the CSIRO.
- The appointment of a "Steel Supplier Advocate" to promote Australian industry participation in major projects.

Clearly, we await with interest the details of the reported proposed changes to the TCO and EPBS arrangements and we will keep you informed of those changes as soon as they are announced. In the meantime, as noted in our e-alert of 17 June 2009, parties should be taking extreme care as to past and current use of the EPBS.

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