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**INDEXATION OF CERTAIN EXCISE AND CUSTOMS TARIFF RATES AND THE DIESEL FUEL REBATE**

The provisions of section 6A of the Excise Tariff Act 1921 and section 19 of the Customs Tariff Act 1995 allow for indexation changes in February and August of each year. The changes are related to movements in the Consumer Price Index (CPI).

The CPI for the June quarter 1997 was released by the Australian Bureau of Statistics on 23 July 1997.

Sub-section 6A(5) of the Excise Tariff Act 1921 requires that the June 1997 index number published by the Australian Statistician be divided by the previous highest December or June index number for indexation purposes.

The June 1997 index number (120.2) has been divided by the December 1996 number (120.3) to establish the indexation factor of 0.999. Sub-section 6A(4) of the Act provides that excise rates will be indexed if the factor is greater than 1. In this case, the factor does not exceed 1, and therefore there will be no indexation adjustment to excise duty rates or equivalent customs duty rates.

As a consequence, there is no change to the rates of diesel fuel rebate declared in respect of sub-section 164(5A) of the Customs Act 1901 and sub-section 78A(5A) of the Excise Act 1901. These rates can change from month to month because of the effects of indexation and the averaging provisions of the rebate legislation. The rate applicable to a particular claim is shown on the payment advice forwarded to applicants.

Any enquiries concerning these matters should be directed to:

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| **for Excise Tariff Rates:-** | Senior Inspector, Petroleum Excise Branch  Australian Customs Service CANBERRA ACT 2600  Phone: (06) 275 6136 |
| **for Customs Tariff Rates:-** | Senior Inspector, Tariff Legislation Tariff, Valuation &amp; Origin Australian Customs Service CANBERRA ACT 2600  Phone: (06) 275 6516 |
| **for Diesel Fuel Rebate:-** | Senior Inspector, Rebate &amp; Subsidy Excise Branch  Australian Customs Service CANBERRA ACT 2600  Phone: (06) 275 6108 |

(J H Jeffery)

National Manager Excise

for Chief Executive Officer CANBERRA

24 July 1997

(Excise - C97/02660)

(Tariff, Valuation &amp; Origin - C97/00726)