

AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE 2014/53

Increase in fuel duty rates from 10 November 2014 for CPI indexation and the re-introduction of the biannual CPI indexation of those rates on 1 February and 1 August of each year

The Government announced in its 2014-2015 Budget the re-introduction of indexation to the Consumer Price Index (CPI) of the excise and excise-equivalent customs duty on certain locally manufactured and imported fuels, including gaseous fuels.

On 30 October 2014, the Government introduced Excise Tariff Proposal (No. 1) 2014 and Customs Tariff Proposal (No. 1) 2014 in the House of Representatives to give effect to this measure. The proposals take effect on 10 November 2014 and set the rate of excise and excise-equivalent customs duty for fuels (excluding aviation fuels) as follows:

* $0.386 per litre for liquid fuels
* $0.101 per litre for liquefied petroleum gas (LPG)
* $0.212 per kilogram for compressed natural gas (CNG) and liquefied natural gas (LNG).

Fuel indexation will operate in the same way as the indexation of the rates of excise and excise- equivalent customs duty applying to alcohol on 1 February and 1 August each year in line with CPI.

The indexed rates of excise and excise-equivalent customs duty for fuels (excluding aviation fuels) will be rounded to three decimal places of a dollar. This will have the effect of simplifying the fuel tax credit claim calculation for fuels such as petrol and diesel that currently have a rate of duty calculated to five decimal places of a dollar.

Note that these rates also apply to petroleum products listed in Schedule 5 (US originating goods), Schedule 6 (Thai originating goods), Schedule 7 (Chilean originating goods), Schedule 8 (AANZ originating goods) and Schedule 9 (Malaysian originating goods) in the Customs Tariff. Indexation will also apply to these goods when listed in new Schedule 10

(Korean originating goods) and Schedule 11 (Japanese originating goods) in the Customs Tariff and will come into effect on the entry into force of the Korea-Australia Free Trade Agreement and the Japan-Australia Economic Partnership Agreement.

Attachment 1 to this Notice lists the customs tariff subheadings and new duty rates for imported fuels subject to indexation. Attachment 2 lists the excise tariff sub-item numbers and duty rates for locally manufactured fuels subject to indexation.

Please direct any inquiries concerning these matters to the following contacts:

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| for customs duty rates  Manager  Trade Policy and Negotiation Australian Customs and Border Protection Service  5 Constitution Avenue  CANBERRA ACT 2601  Ph: (02) 6275 6095 | for excise duty rates  Senior Director  Indirect Tax, Revenue Performance, Intelligence and Effectiveness Australian Taxation Office  21 Genge Street  CANBERRA ACT 2600  Ph: (02) 6216 2572 |

Customs Tariff pages to be issued in connection with these changes are: Schedule 3

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 27/6 (R.28) | 27/7 (R.28) | 27/8 (R.28) | 27/9 (R.21) | 27/10 (R.21) |
| 27/11 (R.14) | 27/12 (R.14) | 27/13 (R.14) | 27/14 (R.14) | 27/15 (R.9) |
| 27/16 (R.9) | 27/17 (R.9) | 27/18 (R.9) | 27/19 (R. 8) | 27/20 (R.8) |
| 27/21 (R.6) | 27/22 (R.6) | 27/23 (R.3) | 29/7 (R.17) | 29/8 (R.17) |
| 38/11 (R.8) | 38/15 (R.6) | 38/16 (R.6) | 38/18 (R.2) |  |

Schedule 5 Schedule 6 Schedule 7 Schedule 8 Schedule 9

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 5/4 (R.37) | 6/3 (R.36) | 7/4 (R.20) | 8/4 (R.22) | 9/4 (R.11) |
| 5/5 (R.11) | 6/4 (R.36) | 7/5 (R.8) | 8/5 (R.8) | 9/5 (R.4) |
| 5/6 (R.11) | 6/5 (R.11) | 7/6 (R.8) | 8/6 (R.8) | 9/6 (R.4) |
| 5/7 (R.6) | 6/6 (R.11) | 7/6A (R.6) | 8/7 (R.3) | 9/7 (R.2) |
| 5/8 (R.6) | 6/7 (R.6) | 7/6B (R.6) | 8/8A (R.3) | 9/8 (R.2) |
|  | 6/8 (R.6) |  | 8/8B (R.3) |  |
|  | 6/9 (R.4) |  |  |  |

ACBPS will issue the above tariff reprint pages in the week commencing 10 November 2014. Excise Tariff Working Pages are available from the ATO webpage:

[www.ato.gov.au/Rates/Excise-tariff-working-pages---by-laws/](http://www.ato.gov.au/Rates/Excise-tariff-working-pages---by-laws/)

(Signed) Jeff Buckpitt

National Director

Trade and Customs Division 6 November 2014

**Attachment A**

**TABLE 1: Customs Tariff - New Fuel Rates from 10 November 2014**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Goods** | **Tariff Items** | | **Current Duty**  **Rate** | **New Duty**  **Rates** |
| **Petroleum fuels**  **including diesel, ethanol and biodiesel and** | 2707.10.00  2707.20.00 | 2710.91.70  2710.91.80 | $0.38143 per litre | $0.386 per litre |
| **blends thereof.** | 2707.30.00 | 2710.99.16 |  |  |
|  | 2707.50.00 | 2710.99.22 |  |  |
|  | 2709.00.90 | 2710.99.28 |  |  |
|  | 2710.12.62 | 2710.99.51 |  |  |
|  | 2710.12.69 | 2710.99.52 |  |  |
|  | 2710.12.70 | 2710.99.53 |  |  |
|  | 2710.19.16 | 2710.99.62 |  |  |
|  | 2710.19.22 | 2710.99.69 |  |  |
|  | 2710.19.28 | 2710.99.70 |  |  |
|  | 2710.19.51 | 2710.99.80 |  |  |
|  | 2710.19.52 | 2902.20.00 |  |  |
|  | 2710.19.53 | 2902.30.00 |  |  |
|  | 2710.19.70 | 2902.41.00 |  |  |
|  | 2710.20.00 | 2902.42.00 |  |  |
|  | 2710.91.16 | 2902.43.00 |  |  |
|  | 2710.91.22 | 2902.44.00 |  |  |
|  | 2710.91.28 | 3817.00.10 |  |  |
|  | 2710.91.51 | 3824.90.50 |  |  |
|  | 2710.91.52 | 3824.90.60 |  |  |
|  | 2710.91.53 | 3826.00.10 |  |  |
|  | 2710.91.62 | 3826.00.20 |  |  |
|  | 2710.91.69 |  |  |  |
| **Liquified Natural Gas** | 2711.11.00 |  | $0.209 per kilogram | $0.212 per kilogram |
| **Compressed Natural Gas** | 2711.21.10 |  | $0.209 per kilogram | $0.212 per kilogram |
| **Liquified Petroleum Gas** | 2711.12.10 | 2711.13.10 | $0.100 per Litre | $0.101 per Litre |

**Attachment B TABLE 2: EXCISE TARIFF – New Fuel Rates from 10 November 2014**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sub-item** | **Commodity** | **Current rate** | **New rate from 10**  **November 2014** |
| 10.1 | Petroleum condensate | $0.38143 per litre | $0.386 per litre |
| 10.2 | Stabilised crude petroleum oil | $0.38143 per litre | $0.386 per litre |
| 10.3 | Topped crude petroleum oil | $0.38143 per litre | $0.386 per litre |
| 10.5 | Gasoline (other than for use as fuel in aircraft) | $0.38143 per litre | $0.386 per litre |
| 10.7 | Blends of gasoline and ethanol | The amount of duty  worked out under section 6G (per litre) | The amount of duty worked out under section 6G\* (per litre) |
| 10.10 | Diesel (other than biodiesel) | $0.38143 per litre | $0.386 per litre |
| 10.11 | Blends of diesel and ethanol | The amount of duty  worked out under section 6G (per litre) | The amount of duty worked out under section 6G\* (per litre) |
| 10.12 | Blends of diesel and biodiesel | The amount of duty  worked out under section 6G (per litre) | The amount of duty worked out under section 6G\* (per litre) |
| 10.15 | Heating oil | $0.38143 per litre | $0.386 per litre |
| 10.16 | Kerosene (other than for use as fuel in aircraft) | $0.38143 per litre | $0.386 per litre |
| 10.18 | Fuel oil | $0.38143 per litre | $0.386 per litre |
| 10.19A | Transport liquefied petroleum gas | $0.100 per litre | $0.101 per litre |
| 10.19B | Transport liquefied natural gas | $0.209 per kilogram | $0.212 per kilogram |
| 10.19C | Transport compressed natural gas | $0.209 per kilogram | $0.212 per kilogram |
| 10.20 | Denatured ethanol for use as fuel in an internal combustion engine | $0.38143 per litre | $0.386 per litre |
| 10.21 | Biodiesel | $0.38143 per litre | $0.386 per litre |
| 10.25 | Liquid aromatic hydrocarbons (other than goods covered by section 77J of the *Excise Act 1901*) | $0.38143 per litre | $0.386 per litre |
| 10.26 | Mineral turpentine (other than goods covered by section 77J of the *Excise Act 1901*) | $0.38143 per litre | $0.386 per litre |
| 10.27 | White spirit (other than goods covered by section 77J of the *Excise Act 1901*) | $0.38143 per litre | $0.386 per litre |
| 10.28 | Petroleum products (other than blends) not elsewhere included (other than goods covered by section 77J of the *Excise Act 1901*) | $0.38143 per litre | $0.386 per litre |
| 10.30 | Blends of one or more of the above goods (with or without substances) not elsewhere included that can be used as fuel in an internal combustion engine (other than goods covered by section 77J of the *Excise Act 1901*) | The amount of duty  worked out under section 6G (per litre) | The amount of duty worked out under section 6G\* (per litre) |

**\***Note the rate in step 3 of section 6G becomes $0.386 per litre from 10 November 2014.