

AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE 2015/04

**Indexation of certain customs and excise duty rates – 2 February 2015**

The Australian Bureau of Statistics (ABS) released the December Quarter 2014 Consumer Price Index (CPI) figures on 28 January 2015. In accordance with the indexation provisions in section 19 of the *Customs Tariff Act 1995* (Customs Tariff), the rates of excise-equivalent customs duty on certain spirits, beer and petroleum products including gaseous fuels will increase on 2 February 2015. This Notice sets out the new rates of excise-equivalent customs duty in Table 1 and excise duty in Table 2.

The new rates of excise-equivalent customs duty and excise duty listed in Tables 1 and 2 are calculated by multiplying the previous rates by an indexation factor. The indexation factor is calculated by dividing the most recent CPI number, that is, the December Quarter 2014 number, by the previous highest December or June Quarter number occurring after the June Quarter 1983.

Accordingly, the December Quarter 2014 index number (106.6) has been divided by the June Quarter 2014 index number (105.9) to establish an indexation factor of 1.007. As this factor is greater than one, rates of excise-equivalent customs duty and excise duty are increased by the application of this factor.

The rates referenced above also apply to goods subject to indexation in Schedule 5 (US originating goods), Schedule 6 (Thai originating goods), Schedule 7 (Chilean originating goods), Schedule 8 (AANZ originating goods), Schedule 9 (Malaysian originating goods), Schedule 10 (Korean originating goods) and Schedule 11 (Japanese originating goods) in the Customs Tariff.

Note that as outlined in ACN 2014/53 the indexed excise and excise-equivalent customs duty for fuels (excluding aviation fuels) will be rounded to three decimal places of a dollar. This change is to simplify the fuel tax credit claim calculation.

The Australian Customs and Border Protection Service (ACBPS) has arranged for the publication of a Notice of Substituted Rates of Customs Duty Notice (No. 1) 2015 in the *Commonwealth Gazette* on 2 February 2015.

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 the CPI changes are:

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| Schedule 3 |  |  |  |
| 22/5 (R. 44) | 22/7 (R. 44) | 22/9 (R. 44) | 22/11 (R. 34) |
| 22/13 (R. 36) | 22/15 (R. 34) | 22/17 (R. 36) | 22/19 (R. 36) |
| 22/21 (R. 33) | 22/23 (R. 16) | 27/5 (R. 29) | 27/7 (R. 29) |
| 27/9 (R. 22) | 27/11 (R. 15) | 27/13 (R. 15) | 27/15 (R. 10) |
| 27/17 (R. 10) | 27/19 (R. 9) | 27/21 (R. 7) | 27/23 (R. 4) |
| 27/25 (New) | 29/7 (R. 18) | 38/11 (R. 9) | 38/15 (R. 7) |
| 38/17 (R. 3) |  |  |  |

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| Schedule 5 | Schedule 6 | Schedule 7 | Schedule 8 |
| 5/1 (R. 25) | 6/1 (R. 24) | 7/1 (R. 13) | 8/1 (R. 11) |
| 5/3 (R. 38) | 6/3 (R. 37) | 7/3 (R. 21) | 8/3 (R. 23) |
| 5/5 (R. 12) | 6/5 (R. 12) | 7/5 (R. 9) | 8/5 (R. 9) |
| 5/7 (R. 7) | 6/7 (R. 7) | 7/6A (R. 7) | 8/7 (R. 4) |
|  | 6/9 (R. 5) |  | 8/8A (R. 4) |
| Schedule 9 | Schedule 10 | Schedule 11 |  |
| 9/1 (R. 5) | 10/1 (R. 1) | 11/1 (R. 1) |  |
| 9/3 (R. 12) | 10/3 (R. 1) | 11/3 (R. 1) |  |
| 9/5 (R. 5) | 10/5 (R. 1) | 11/5 (R. 1) |  |
| 9/7 (R. 3) | 10/7 (R. 1) | 11/7 (R. 1) |  |

Customs Tariff pages to be issued in connection with minor formatting changes, the Korea-Australian Free Trade Agreement and the Japan-Australia Economic Partnership Agreement are:

Schedule 3

73/9 (R.9)

Schedule 4

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| 4/7 (R.1) | 4/9 (R.2) | 4/11 (R.2) | 4/15 (R.1) |
| 4/17 (R.1) | 4/19 (R.2) | 4/21 (R.2) |  |

ACBPS will issue the above tariff reprint pages in the week commencing 9 February 2015. The Tariff Working pages published on the ACBPS website will be updated before the commencement of the new duty rates.

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

First Assistant Secretary

Trade, Customs and Industry Policy Division 29 January 2015

**TABLE 1: CUSTOMS TARIFF ACT 1995 - TARIFF SUBHEADINGS AFFECTED BY 2 FEBRUARY 2015 CPI INDEXATION**

|  |  |  |
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| **Customs Tariff Subheading** | | **New Duty Rate** |
| 2203.00.61 | 2206.00.74 | $40.43 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.62 | 2206.00.75 | $47.09 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.69 | 2206.00.78 | $47.09 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.71 | 2206.00.82 | $8.08 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.72 | 2206.00.83 | $25.33 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.79 | 2206.00.89 | $33.16 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.91 | 2206.00.14 | $79.77 per litre of alcohol |
| 2203.00.99 | 2206.00.92 |
| 2206.00.13 | 2206.00.99 |
| 2204.10.23 | 2206.00.24 | $79.77 per litre of alcohol, plus customs duty where applicable |
| 2204.10.29 | 2206.00.52 |
| 2204.10.83 | 2206.00.59 |
| 2204.10.89 | 2206.00.62 |
| 2204.21.30 | 2206.00.69 |
| 2204.21.90 | 2207.10.00 |
| 2204.29.30 | 2208.20.90 |
| 2204.29.90 | 2208.30.00 |
| 2205.10.30 | 2208.40.00 |
| 2205.10.90 | 2208.50.00 |
| 2205.90.30 | 2208.60.00 |
| 2205.90.90 | 2208.70.00 |
| 2206.00.21 | 2208.90.20 |
| 2206.00.22 | 2208.90.90 |
| 2206.00.23 |  |
| 2208.20.10 | | $74.50 per litre of alcohol, plus customs duty where applicable |

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| **Customs Tariff Subheading** | | **New Duty Rate** |
| 2707.10.00  2707.30.00  2709.00.90  2710.12.69  2710.19.16  2710.19.28  2710.19.52  2710.19.70  2710.91.16  2710.91.28  2710.91.52  2710.91.62  2710.91.70  2710.99.16  2710.99.28  2710.99.52  2710.99.62  2710.99.70  2902.20.00  2902.41.00  2902.43.00  3817.00.10  3824.90.60  3826.00.20 | 2707.20.00  2707.50.00  2710.12.62  2710.12.70  2710.19.22  2710.19.51  2710.19.53  2710.20.00  2710.91.22  2710.91.51  2710.91.53  2710.91.69  2710.91.80  2710.99.22  2710.99.51  2710.99.53  2710.99.69  2710.99.80  2902.30.00  2902.42.00  2902.44.00  3824.90.50  3826.00.10 | $0.389 per litre of petroleum fuels including diesel, ethanol and biodiesel and blends thereof |
| 2711.11.00 | | $0.213 per kilogram of liquefied natural gas |
| 2711.21.10 | | $0.213 per kilogram of compressed natural gas |
| 2711.12.10 | 2711.13.10 | $0.102 per litre of liquefied petroleum gas |

**TABLE 2: EXCISE TARIFF ACT 1921 - EXCISE ITEMS AFFECTED BY 2 FEBRUARY 2015 CPI INDEXATION**

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| **Excise Tariff Item/ Subitem** | **New Rates of Duty Operative from 2 February 2015** |
| **1** | **Beer** |
| 1.1 | $40.43 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.2 | $8.08 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.5 | $47.09 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.6 | $25.33 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.10 | $47.09 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.11 | $33.16 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.15 | $2.84 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.16 | $3.28 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| **2** | ***Other excisable beverages not exceeding 10% by volume of alcohol*** |
| 2 | $79.77 per litre of alcohol |
| **3** | ***Spirits; Other excisable beverages exceeding 10% by volume of alcohol*** |
| 3.1 | $74.50 per litre of alcohol |
| 3.2 | $79.77 per litre of alcohol |
| 3.10 | $79.77 per litre of alcohol |
| **10** |  |
| 10.1 | $0.389 per litre of petroleum condensate |
| 10.2 | $0.389 per litre of stabilised crude petroleum |
| 10.3 | $0.389 per litre of crude petroleum oil |
| 10.5 | $0.389 per litre of gasoline (other than for use as fuel in aircraft) |
| 10.7 | The amount of duty worked out under section 6G |
| 10.10 | $0.389 per litre of diesel (other than biodiesel) |

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| 10.11 | The amount of duty worked out under section 6G |
| 10.12 | The amount of duty worked out under section 6G |
| 10.15 | $0.389 per litre of heating oil |
| 10.16 | $0.389 per litre of kerosene (other than for use as fuel in aircraft) |
| 10.18 | $0.389 per litre for fuel oil |
| 10.19A | $0.102 per litre of liquefied petroleum gas, other than liquefied petroleum gas exempted from excise by section 77HB of the Excise Act 1901 |
| 10.19B | $0.213 per kilogram of liquefied natural gas, other than liquefied natural gas exempted from excise duty by section 77HB of the Excise Act 1901 |
| 10.19C | $0.213 per kilogram of compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the Excise Act 1901 |
| 10.20 | $0.389 per litre of denatured ethanol for use as fuel in an internal combustions engine |
| 10.21 | $0.389 per litre of biodiesel |
| 10.25 | $0.389 per litre of liquid aromatic hydrocarbons consisting principally of benzene, toluene or xylene or mixtures of them, other than goods not covered by section 77J of the  Excise Act 1901 |
| 10.26 | $0.389 per litre of mineral turpentine, other than goods covered by section 77J of the Excise Act 1901 |
| 10.27 | $0.389 per litre of white spirit, other than goods covered by section 77J of the Excise Act 1901 |
| 10.28 | $0.389 per litre of petroleum products, other than blends, not elsewhere included, other than goods covered by section 77J of the Excise Act 1901 |
| 10.30 | The amount of duty worked out under section 6G |