DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION NOTICE

No.2016/25

***Indexation of customs duty rates on excise-equivalent goods on 1 August 2016***

This notice sets out the new customs duty rates for certain excise-equivalent goods, including spirits, beers and fuel products, operative from 1 August 2016.

Section 19 of the *Customs Tariff Act 1995* (Customs Tariff), provides for customs duty rates for certain excise-equivalent goods to be indexed biannually, in February and August, to the Consumer Price Index (CPI). The new rates are determined by the application of an indexation factor. This indexation factor is calculated by dividing the most recent June or December Quarter CPI number by the previous highest June or December Quarter CPI number occurring after the June 1983 Quarter.

On 27 July 2016, the Australian Bureau of Statistics released the June 2016 Quarter figure (108.6). The figures used to calculate the indexation factor for August 2016 are set out in the table below:

|  |  |  |
| --- | --- | --- |
| Most recent CPI number | Highest previous June or  December Quarter | Indexation factor |
| June Quarter 2016 | December Quarter 2015 |
| 108.6 | 108.4 | 1.002 |

As the indexation factor for August 2016 (1.002) is greater than one, certain rates of customs duty for excise-equivalent goods, in Schedule 3 to the Customs Tariff, will be increased by the application of this factor.

The rates of customs duty for excise-equivalent goods, operative from 1 August 2016, are set out in Table 1 and supersede the rates outlined in the Department of Immigration and Border Protection Notice 2016/02.

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 (ASEAN-Australia-New Zealand originating goods)
* Schedule 9 (Malaysian originating goods)
* Schedule 10 (Korean originating goods)
* Schedule 11 (Japanese originating goods) and
* Schedule 12 (Chinese originating goods) in the Customs Tariff.

The Department of Immigration and Border Protection (the Department) will arrange for the publication of a Notice of Substituted Rates of Customs Duty Notice for excise-equivalent goods (No.3) 2016 in the *Gazette*.

The Australian Taxation Office (ATO) will make equivalent changes to the rates of duty on excise goods outlined in Table 2. Further information can be found on the ATO website via the following links: [ato.gov.au/alcoholexciserates](https://www.ato.gov.au/Business/Excise-and-excise-equivalent-goods/Alcohol-excise/Excise-rates-for-alcohol/) and [ato.gov.au/fuelexciserates](https://www.ato.gov.au/Business/Excise-and-excise-equivalent-goods/Fuel-excise/Excise-rates-for-fuel/).

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

|  |  |
| --- | --- |
| for customs duty rates  Assistant Director Trade Policy  Department of Immigration and Border Protection  5 Chan Street  BELCONNEN ACT 2615  Ph: (02) 6264 2143 | 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 1397 |

Customs Tariff Working pages to be issued in connection with the CPI changes are:

|  |  |  |  |
| --- | --- | --- | --- |
| Schedule 3 |  |  |  |
| 22/5 (R. 47) | 22/7 (R. 47) | 22/9 (R. 47) | 22/11 (R. 37) |
| 22/13 (R. 39) | 22/15 (R. 37) | 22/17 (R. 39) | 22/19 (R. 41) |
| 22/21 (R. 36) | 22/23 (R. 19) | 27/5 (R. 32) | 27/7 (R. 32) |
| 27/9 (R. 25) | 27/11 (R. 18) | 27/13 (R. 18) | 27/15 (R. 13) |
| 27/17 (R. 13) | 27/19 (R. 12) | 27/21 (R. 11) | 27/23 (R. 8) |
| 29/7 (R. 21) | 38/11 (R. 12) | 38/15 (R. 10) | 38/17 (R. 6) |
| Schedule 5 | Schedule 6 | Schedule 7 | Schedule 8 |
| 5/1 (R. 28) | 6/1 (R. 27) | 7/1 (R. 16) | 8/1 (R. 14) |
| 5/3 (R. 45) | 6/3 (R. 44) | 7/3 (R. 28) | 8/3 (R. 29) |
| 5/5 (R. 16) | 6/5 (R. 16) | 7/5 (R. 12) | 8/5 (R. 12) |
| 5/7 (R. 10) | 6/7 (R. 10) | 7/6A (R. 11) | 8/7 (R. 8) |
|  | 6/9 (R. 8) |  | 8/8A (R. 7) |
| Schedule 9 | Schedule 10 | Schedule 11 | Schedule 12 |
| 9/1 (R. 8) | 10/1 (R. 4) | 11/1 (R. 4) | 12/1 (R. 2) |
| 9/3 (R. 19) | 10/3 (R. 8) | 11/3 (R. 8) | 12/3 (R. 3) |
| 9/5 (R. 8) | 10/5 (R. 4) | 11/5 (R. 4) | 12/5 (R. 2) |
| 9/7 (R. 7) | 10/7 (R. 5) | 11/7 (R. 5) | 12/7 (R. 2) |

The Department will issue the above pages in the week commencing 8 August 2016. The Customs Tariff Working pages published on the Department’s website will be updated before the commencement of the new rates.

(Signed)

Andrew Chandler Assistant Secretary

Trade and Customs Branch 28 July 2016

**TABLE 1: *CUSTOMS TARIFF ACT 1995* - TARIFF SUBHEADINGS AFFECTED BY 1 AUGUST 2016 CPI INDEXATION**

|  |  |  |
| --- | --- | --- |
| **Customs Tariff Subheading** | | **New Customs Duty Rate for Excise-Equivalent Goods** |
| 2203.00.61 | 2206.00.74 | $41.16 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.62 | 2206.00.75 | $47.95 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 | $47.95 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 | $8.23 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 | $25.78 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 | $33.77 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 | $81.21 per litre of alcohol |
| 2203.00.99 | 2206.00.92 |
| 2206.00.13 | 2206.00.99 |
| 2204.10.23 | 2206.00.24 | $81.21 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 |

|  |  |  |
| --- | --- | --- |
| **Customs Tariff Subheading** | | **New Customs Duty Rate for Excise-Equivalent Goods** |
| 2206.00.22 | 2208.90.90 | $81.21 per litre of alcohol, plus customs duty where applicable |
| 2206.00.23 |  |
| 2208.20.10 | | $75.85 per litre of alcohol, plus customs duty where applicable |
| 2207.20.10  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 | 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 | $0.396 per litre of petroleum fuels including diesel, ethanol and biodiesel, and blends thereof, plus customs duty where applicable |
| 2711.11.00 | | $0.271 per kilogram of liquefied natural gas |
| 2711.21.10 | | $0.271 per kilogram of compressed natural gas |
| 2711.12.10 | 2711.13.10 | $0.129 per litre of liquefied petroleum gas\* |

\* Due to rounding there is no change to the customs duty rate for these excise-equivalent goods.

**TABLE 2: *EXCISE TARIFF ACT 1921* - EXCISE ITEMS AFFECTED BY 1 AUGUST 2016 CPI INDEXATION**

|  |  |
| --- | --- |
| **Excise Tariff Item/ Subitem** | **New Rates of Excise Duty Operative from 1 February 2016** |
| **1** | **Beer** |
| 1.1 | $41.16 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.2 | $8.23 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 | $47.95 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 | $25.78 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 | $47.95 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 | $33.77 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 | $2.89 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 | $3.35 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 | $81.21 per litre of alcohol |
| **3** | ***Spirits; Other excisable beverages exceeding 10% by volume of alcohol*** |
| 3.1 | $75.85 per litre of alcohol |
| 3.2 | $81.21 per litre of alcohol |
| 3.10 | $81.21 per litre of alcohol |
| **10** |  |
| 10.1 | $0.396 per litre of petroleum condensate |

|  |  |
| --- | --- |
| 10.2 | $0.396 per litre of stabilised crude petroleum |
| 10.3 | $0.396 per litre of crude petroleum oil |
| 10.5 | $0.396 per litre of gasoline (other than for use as fuel in aircraft) |
| 10.7 | The amount of duty worked out under section 6G (using  $0.396 per litre at step 3 at 6G) |
| 10.10 | $0.396 per litre of diesel |
| 10.12 | The amount of duty worked out under section 6G (using  $0.396 per litre at step 3 at 6G) |
| 10.15 | $0.396 per litre of heating oil |
| 10.16 | $0.396 per litre of kerosene (other than for use as fuel in aircraft) |
| 10.18 | $0.396 per litre for fuel oil |
| 10.19A | $0.129 per litre of liquefied petroleum gas, other than liquefied petroleum gas exempted from excise by section 77HB of the *Excise Act 1901* |
| 10.19B | $0.271 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 | $0.271 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 | the rate of duty worked our under section 6H |
| 10.21 | the rate of duty worked our under section 6J |
| 10.25 | $0.396 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 | $0.396 per litre of mineral turpentine, other than goods covered by section 77J of the *Excise Act 1901* |
| 10.27 | $0.396 per litre of white spirit, other than goods covered by section 77J of the *Excise Act 1901* |
| 10.28 | $0.396 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 (using $0.396 per litre at step 3 at 6G) |