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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 provide for indexation increases to rates of duty for certain excisable and like customable goods, in February and August of each year, in certain circumstances. The increases are related to certain movements in the Consumer Price Index (CPI).

The CPI for the December quarter 1997 was released by the Australian Bureau of Statistics on 28 January 1998.

Sub-section 6A(5) of the Excise Tariff Act 1921 requires that the last preceding December or June index number published by the Australian Statistician be divided by the previous highest December or June index number since December 1983 to establish a factor.

The December 1997 index number (120.0) has been divided by the December 1996 number (120.3) to establish a factor of 0.998. Sub-section 6A(4) of the Act provides that the rates of duty will be indexed only if the factor is greater than 1. As the factor on this occasion does not exceed 1, there will be no indexation of the excise duty rates or the equivalent customs duty rates following release of the December 1997 CPI figure.

Also, 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. Rebate 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 claimants.

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  Ph: (02) 6275 6136 |
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| for Customs Tariff Rates: | Senior Inspector, Tariff Legislation Tariff, Valuation and Origin Australian Customs Service CANBERRA ACT 2600  Ph: (02) 6275 6516 |
|  |  |
| for Diesel Fuel Rebate: | Senior Inspector, Rebate &amp; Subsidy Excise Branch  Australian Customs Service CANBERRA ACT 2600  Ph: (02) 6275 6108 |

(J H Jeffery)

A/g National Director Commercial Services Branch for Chief Executive Officer CANBERRA

January 1998 (Excise - C97/10752)

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