

AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE 2014/03

**Indexation of certain customs and excise duty rates – 1 February 2014**

The Australian Bureau of Statistics (ABS) released the December Quarter 2013 Consumer Price Index (CPI) figures on 22 January 2014. In accordance with the indexation provisions in section 19 of the *Customs Tariff Act 1995* (Customs Tariff), the rates of customs and excise duties on certain spirits and beer will increase on 1 February 2014. This Notice sets out the new rates in Tables 1 and 2.

Please note tobacco and tobacco products are no longer indexed in February. They will be indexed based on average weekly ordinary time earnings (AWOTE) figures on 1 March 2014.

The new rates of customs 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 2013 number, by the previous highest December or June Quarter number occurring after the June Quarter 1983.

Accordingly, the December Quarter 2013 index number (104.8) has been divided by the June Quarter 2013 index number (102.8) to establish an indexation factor of 1.019. As this factor is greater than one, rates of customs and excise duty are increased by the application of this factor.

Note that these rates 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) and Schedule 9 (Malaysian originating goods) in the Customs Tariff.

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) 2014 in the Commonwealth Gazette on 3 February 2014.

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

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| for customs duty rates  Manager  Trade Policy and Advice Australian Customs and Border Protection Service  5 Constitution Avenue  CANBERRA ACT 2601  Ph: (02) 6275 6542 | for excise duty rates  Senior Director  Indirect Tax, Revenue Performance, Intelligence and Effectiveness Australian Taxation Office  21 Genge Street  CANBERRA ACT 2600  (02) 6216 2572 |

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

Schedule 3

|  |  |  |  |
| --- | --- | --- | --- |
| 22/5 (R.42) | 22/11 (R.32) | 22/17 (R.34) | 22/23 (R.14) |
| 22/7 (R.42) | 22/13 (R.34) | 22/19 (R.34) |  |
| 22/9 (R.42) | 22/15 (R.32) | 22/21 (R.31) |  |

Schedule 5 Schedule 6 Schedule 7 Schedule 8 Schedule 9

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 5/1 (R.23) | 6/1 (R.22) | 7/1 (R.11) | 8/1 (R.9) | 9/1 (R.3) |
| 5/3 (R.30) | 6/3 (R.29) | 7/3 (R.16) | 8/3 (R.15) | 9/3 (R.4) |

ACBPS will issue the above tariff reprint pages in the week commencing 3 February 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) Alison Neil

A/g National Manager Trade Branch

24th January 2014

**TABLE 1: CUSTOMS TARIFF ACT 1995 - TARIFF SUBHEADINGS AFFECTED BY 1 FEBRUARY 2014 CPI INDEXATION**

|  |  |  |
| --- | --- | --- |
| **Customs Tariff Subheading** | | **New Rates of Duty Operative from 1 February 2014** |
| 2203.00.61 | 2206.00.74 | $39.75/L 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 | $46.30/L 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 | $46.30/L 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 | $7.94/L 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 | $24.90/L 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 | $32.60/L of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.91 | 2203.00.99 | $78.44/L of alcohol |
| 2204.10.23 | 2206.00.24 | $78.44/L 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 | 2206.00.92 |
| 2204.29.30 | 2206.00.99 |
| 2204.29.90 | 2207.10.00 |
| 2205.10.30 | 2208.20.90 |
| 2205.10.90 | 2208.30.00 |
| 2205.90.30 | 2208.40.00 |
| 2205.90.90 | 2208.50.00 |
| 2206.00.13 | 2208.60.00 |
| 2206.00.14 | 2208.70.00 |
| 2206.00.21 | 2208.90.20 |
| 2206.00.22 | 2208.90.90 |
| 2206.00.23 |  |
| 2208.20.10 | | $73.25/L of alcohol, plus customs duty where applicable |

**TABLE 2: EXCISE TARIFF ACT 1921 - EXCISE ITEMS AFFECTED BY 1 FEBRUARY 2014 CPI INDEXATION**

|  |  |
| --- | --- |
| **Excise Tariff Item/ Subitem** | **New Rates of Duty Operative from 1 February 2014** |
| **1** | **Beer** |
| 1.1 | $39.75 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 | $7.94 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 | $46.30 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 | $24.90 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 | $46.30 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 | $32.60 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 | $2.79 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 | $3.23 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 | $78.44 per litre of alcohol |
|  |  |
| **3** | **Spirits; Other excisable beverages exceeding 10% by**  **volume of alcohol** |
| 3.1 | $73.25 per litre of alcohol |
| 3.2 | $78.44 per litre of alcohol |
| 3.10 | $78.44 per litre of alcohol |
|  |  |