

AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE NO. 2014/27

1 July 2014 changes to the Product Stewardship for Oil (PSO) scheme, the gaseous fuels arrangements and the carbon component rate on aviation fuel.

This Notice summarises Customs Tariff changes that will occur on 1 July 2014. Changes to PSO scheme

The *Customs Tariff Amendment (Product Stewardship for Oil) Act 2014* was passed in the Parliament on 18 June 2014. From 1 July 2014 the rate of the levy payable under the PSO scheme for new and recycled petroleum based oils and greases and their synthetic equivalents will increase from 5.449 cents to

8.5 cents per litre of oil or kilogram of grease.

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| **Goods** | **Tariff**  **Classification** | **Duty rate from**  **July 2013** | **New duty rate**  **from 1 July 2014** |
| Petroleum Oils and Oils obtained from Bituminous Minerals,  Other than Crude | 2710.19.91 | $0.05449/L | $0.085/L |
| Petroleum Oils and Oils obtained from Bituminous Minerals,  Other than Crude | 2710.19.92 | $0.05449/KG | $0.085/KG |
| Petroleum Oils and Oils obtained from Bituminous Minerals,  Other than Crude | 2710.91.91 | $0.05449/L | $0.085/L |
| Petroleum Oils and Oils obtained from  Bituminous Minerals, Other than Crude | 2710.91.92 | $0.05449/KG | $0.085/KG |
| Petroleum Oils and Oils obtained from  Bituminous Minerals, Other than Crude | 2710.99.91 | $0.05449/L | $0.085/L |
| Petroleum Oils and Oils obtained from  Bituminous Minerals, Other than Crude | 2710.99.92 | $0.05449/KG | $0.085/KG |

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| **Goods** | **Tariff**  **Classification** | **Duty rate from**  **July 2013** | **New duty rate**  **from 1 July 2014** |
| Lubricating  Preparations | 3403.11.10 | $0.05449/KG | $0.085/KG |
| Lubricating Preparations | 3403.11.90 | $0.05449/L | $0.085/L |
| Lubricating  Preparations | 3403.19.10 | $0.05449/KG | $0.085/KG |
| Lubricating Preparations | 3403.19.90 | $0.05449/L | $0.085/L |
| Lubricating  Preparations | 3403.91.10 | $0.05449/KG | $0.085/KG |
| Lubricating Preparations | 3403.91.90 | $0.05449/L | $0.085/L |
| Lubricating  Preparations | 3403.99.10 | $0.05449/KG | $0.085/KG |
| Lubricating Preparations | 3403.99.90 | $0.05449/L | $0.085/L |
| Lubricating  Preparations | 3811.21.10 | $0.05449/KG | $0.085/KG |
| Lubricating Preparations | 3811.21.90 | $0.05449/L | $0.085/L |
| Lubricating  Preparations | 3819.00.00 | 5%, and 0.05449/L | 5%, and $0.085/L |

Note: the same rate changes will take effect on 1 July 2014 on corresponding items in schedule 4 and corresponding Free Trade Agreement table items set out in Schedules 5, 6, 7, 8, and 9 of the *Customs Tariff Act 1995*.

Changes to transport gaseous fuels arrangements

The excise-equivalent duty rates currently set for LPG, LNG and CNG used for transport purposes will increase from 1 July 2014. The table below sets out the current excise equivalent duty rate, as well as the rate changes set to begin next month.

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| **Goods** | **Tariff**  **Classification** | **Duty rate from**  **July 2013** | **New duty rate**  **from 1 July 2014** |
| Liquefied Natural Gas (LNG) | 2711.11.00 | $0.1567/kg | $0.209/kg |
| Liquefied Petroleum  Gas (LPG) | 2711.12.10  2711.13.10 | $0.075/L | $0.10/L |
| Compressed Natural Gas (CNG) | 2711.21.10 | $0.1567/kg | $0.209/kg |

Automatic remissions on excise equivalent duty will still be available for LPG and LNG for non-transport use.

Carbon component rate change on aviation fuel

The Australian Government is proposing to remove the carbon charge for imported aviation fuel from 1 July 2014. If passed, the proposed legislation will

reduce the excise-equivalent customs duty rate for imported aviation fuel to the CASA levy of 3.556 cents per litre.

However section 19A of the *Customs Tariff Act 1995* presently refers to sections 6FA and 6FB of the *Excise Tariff Act 1921* which provides that the carbon component rate on aviation fuels will change to $0.05588 for gasoline and $0.06604 for kerosene respectively from 1 July 2014.

The following table sets out these changes and the Tariff sub-headings in Schedule 3 that will be affected:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Goods** | **Subheading** | **Subheading** | **Subheading** | **Current Excise- Equivalent**  **Duty** | **New Excise- Equivalent Duty 1 July**  **2014** |
| Gasoline for use as fuel in aircraft | 2710.12.61 | 2710.91.61 | 2710.99.61 | $0.08869/L  ($0.05313  carbon component rate) | $0.09144/L  ($0.05588  carbon component rate) |
| Kerosene for use as fuel in aircraft | 2710.19.40 | 2710.91.40 | 2710.99.40 | $0.09835/L  ($0.06279  carbon component rate) | $0.1016/L  ($0.06604  carbon component rate) |

Note: the same carbon component rate changes will take effect on 1 July 2014 on all corresponding table items in the Free Trade Agreements set out in Schedules 5, 6, 7, 8, and 9 of the *Customs Tariff Act 1995*.

Excise Rate Changes

For more information on equivalent excise rate changes refer to [Excise and](https://www.ato.gov.au/Business/Excise-and-excise-equivalent-goods) [excise equivalent goods](https://www.ato.gov.au/Business/Excise-and-excise-equivalent-goods) webpage on the *ato.gov.au* web site.

Statistical code and AHECC changes

The Australian Bureau of Statistics has advised there are no statistical code changes in the Customs Tariff Working Pages.

Further, there will be no changes to the Australian Harmonized Export Commodity Classification at 1 July 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:

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| --- | --- | --- | --- |
| Schedule 3 |  |  |  |
| 27/7-27/8 (R.26)  27/17 - 27/18 (R.7)  38/9-38/10 (R.14) | 27/11-27/12 (R.12)  27/19-27/20 (R.6)  38/11-38/12 (R.7) | 27/13 - 27/14 (R.12)  34/3-34/4 (R.14)  39/21 (R.10) | 27/15-27/16 (R.7)  34/5-34/6 (R.14) |
| Schedule 4 | Schedule 5 | Schedule 6 | Schedule 7 |
| 4/19 - 4/20 (R.1) | 5/3 - 5/4 (R.33)  5/5 - 5/6 (R.9)  5/7 - 5/8 (R.5) | 6/3 - 6/4 (R.32)  6/5 - 6/6 (R.9)  6/7 - 6/8 (R.5) | 7/5 - 7/6 (R.6)  7/6A - 7/6B (R.4) |
| Schedule 8 | Schedule 9 |  |  |
| 8/3 - 8/4 (R.18)  8/5 - 8/6 (R.6)  8/8A - 8/8B (R.2) | 9/3 - 9/4 (R.7)  9/5 - 9/6 (R.2)  9/7 - 9/8 (R.1) |  |  |

(signed) Robyn Miller

A/g National Director

Trade and Customs Division Canberra ACT

26 June 2014