DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION NOTICE

No.2016/02

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

The Australian Bureau of Statistics (ABS) released the December Quarter 2015 Consumer Price

Index (CPI) figures on 27 January 2016. In accordance with the indexation provisions in section 19 of the *Customs Tariff Act 1995* (Customs Tariff), the customs duty rates on certain excise-equivalent goods including spirits, beer and petroleum products, in Schedule 3 of the Customs Tariff, will increase on

1 February 2016. This Notice sets out the new customs duty rates for excise-equivalent goods (Table 1) and excise duty rates (Table 2).

The new customs duty rates for excise-equivalent goods and excise duty rates 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 2015 number, by the previous highest June or December Quarter number occurring after the June Quarter 1983.

Accordingly, the December Quarter 2015 index number (108.4) has been divided by the

June Quarter 2015 index number (107.5) to establish an indexation factor of 1.008. As this factor is greater than one, rates of duty for excise and excise-equivalent goods will be 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 (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.

As outlined in the Department of Immigration and Border Protection Notice 2014/53 the indexed rates for excise and excise-equivalent 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 Department of Immigration and Border Protection (the Department) has arranged for the publication of a Notice of Substituted Rates of Customs Duty Notice (No.1) 2016 in the *Gazette* on 1 February 2016.

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

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| for customs duty rates  Assistant Director Trade Policy  Department of Immigration and Border Protection  5 Chan Street  BELCONNEN ACT 2615  Ph: (02) 6198 7868 | 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 pages to be issued in connection with the CPI changes are:

|  |  |  |  |
| --- | --- | --- | --- |
| Schedule 3 |  |  |  |
| 22/5 (R. 46) | 22/7 (R. 46) | 22/9 (R. 46) | 22/11 (R. 36) |
| 22/13 (R. 38) | 22/15 (R. 36) | 22/17 (R. 38) | 22/19 (R. 40) |
| 22/21 (R. 35) | 22/23 (R. 18) | 27/5 (R. 31) | 27/7 (R. 31) |
| 27/9 (R. 24) | 27/11 (R. 17) | 27/13 (R. 17) | 27/15 (R. 12) |
| 27/17 (R. 12) | 27/19 (R. 11) | 27/21 (R. 10) | 27/23 (R. 7) |
| 29/7 (R. 20) | 38/11 (R. 11) | 38/15 (R. 9) | 38/17 (R.5) |

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| Schedule 5 | Schedule 6 | Schedule 7 | Schedule 8 |
| 5/1 (R. 27) | 6/1 (R. 26) | 7/1 (R. 15) | 8/1 (R. 13) |
| 5/3 (R. 43) | 6/3 (R. 42) | 7/3 (R. 26) | 8/3 (R. 27) |
| 5/5 (R. 15) | 6/5 (R. 15) | 7/5 (R. 11) | 8/5 (R. 11) |
| 5/7 (R. 9) | 6/7 (R. 9) | 7/6A (R. 10) | 8/7 (R. 7) |
|  | 6/9 (R. 7) |  | 8/8A (R. 6) |
| Schedule 9 | Schedule 10 | Schedule 11 | Schedule 12 |
| 9/1 (R. 7) | 10/1 (R. 3) | 11/1 (R. 3) | 12/1 (R. 1) |
| 9/3 (R. 17) | 10/3 (R. 6) | 11/3 (R. 6) | 12/3 (R. 1) |
| 9/5 (R. 7) | 10/5 (R. 3) | 11/5 (R. 3) | 12/5 (R. 1) |
| 9/7 (R. 6) | 10/7 (R. 4) | 11/7 (R. 4) | 12/7 (R. 1) |

The Department will issue the above tariff reprint pages in the week commencing 1 February 2016. The Tariff Working pages published on the Department’s 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-](http://www.ato.gov.au/Rates/Excise-tariff-working-pages---by-laws/) [tariff-working-pages---by-laws/](http://www.ato.gov.au/Rates/Excise-tariff-working-pages---by-laws/)

(signed)

Andrew Chandler Assistant Secretary

Traveller, Customs and Industry Policy Division 29 January 2016

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

|  |  |  |
| --- | --- | --- |
| **Customs Tariff Subheading** | | **New Customs Duty Rate for Excise-Equivalent Goods** |
| 2203.00.61 | 2206.00.74 | $41.08 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.62 | 2206.00.75 | $47.85 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 | $47.85 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 | $8.21 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 | $25.73 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 | $33.70 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 | $81.05 per litre of alcohol |
| 2203.00.99 | 2206.00.92 |
| 2206.00.13 | 2206.00.99 |
| 2204.10.23 | 2206.00.24 | $81.05 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 |

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| **Customs Tariff Subheading** | | **New Customs Duty Rate for Excise-Equivalent Goods** |
| 2206.00.22 | 2208.90.90 | $81.05 per litre of alcohol, plus customs duty where applicable |
| 2206.00.23 |  |
| 2208.20.10 | | $75.70 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 | $0.395 per litre of petroleum fuels including diesel, ethanol and biodiesel and blends thereof, plus customs duty where applicable |
| 2711.11.00 | | $0.270 per kilogram of liquefied natural gas |
| 2711.21.10 | | $0.270 per kilogram of compressed natural gas |
| 2711.12.10 | 2711.13.10 | $0.129 per litre of liquefied petroleum gas |

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

|  |  |
| --- | --- |
| **Excise Tariff Item/ Subitem** | **New Rates of Excise Duty Operative from 1 February 2016** |
| **1** | **Beer** |
| 1.1 | $41.08 per litre of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 1.2 | $8.21 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 | $47.85 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 | $25.73 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 | $47.85 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 | $33.70 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 | $2.88 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 | $3.34 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 | $81.05 per litre of alcohol |
| **3** | ***Spirits; Other excisable beverages exceeding 10% by volume of alcohol*** |
| 3.1 | $75.70 per litre of alcohol |
| 3.2 | $81.05 per litre of alcohol |
| 3.10 | $81.05 per litre of alcohol |
| **10** |  |
| 10.1 | $0.395 per litre of petroleum condensate |
| 10.2 | $0.395 per litre of stabilised crude petroleum |

|  |  |
| --- | --- |
| 10.3 | $0.395 per litre of crude petroleum oil |
| 10.5 | $0.395 per litre of gasoline (other than for use as fuel in aircraft) |
| 10.7 | The amount of duty worked out under section 6G (using $0.395 per litre at step 3 at 6G) |
| 10.10 | $0.395 per litre of diesel |
| 10.12 | The amount of duty worked out under section 6G (using $0.395 per litre at step 3 at 6G) |
| 10.15 | $0.395 per litre of heating oil |
| 10.16 | $0.395 per litre of kerosene (other than for use as fuel in aircraft) |
| 10.18 | $0.395 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 | $0.270 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 | $0.270 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 | $0.395 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 | $0.395 per litre of mineral turpentine, other than goods covered by section 77J of the Excise Act 1901 |
| 10.27 | $0.395 per litre of white spirit, other than goods covered by section 77J of the *Excise Act 1901* |
| 10.28 | $0.395 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 $0.395 per litre at step 3 at 6G) |