



## DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION NOTICE

No.2015/29

### ***Biannual Indexation of certain customs and excise duty rates for tobacco and tobacco products – 1 September 2015***

The Australian Bureau of Statistics released the average weekly ordinary time earnings (AWOTE) amount of June Quarter 2015 on 13 August 2015. In accordance with the indexation provisions in section 19AB of the *Customs Tariff Act 1995* (Customs Tariff), the rates of excise-equivalent customs and excise duties on tobacco and tobacco products will increase on 1 September 2015. This Notice sets out the new rates in Tables 1 and 2.

The indexation factor is worked out by dividing the most recent AWOTE amount by the highest AWOTE amount for a previous June or December quarter that does not precede the December quarter 2012.

Accordingly, the June Quarter 2015 index number (1483.1) has been divided by the December Quarter 2014 index number (1477.00) to establish an indexation factor of 1.004. As this factor is greater than one, rates of excise-equivalent customs duty and excise duty are increased by the application of this indexation factor.

On 6 November 2013, the Government announced it would proceed with a series of four 12.5 per cent increases in excise and excise-equivalent customs duty for tobacco and tobacco products. The first increase was applied on 1 December 2013. Further increases apply from 1 September 2014, 1 September 2015 and 1 September 2016. This increase is referred to as the “additional factor” in section 19AB of the Customs Tariff. The additional factor for 1 September 2015 is 1.125. This factor is then applied to the new indexed rates of excise-equivalent customs and excise duties on tobacco and tobacco products. The calculation formula is:

$$\begin{array}{l} \textit{Tobacco duty rate} \\ \textit{on the day before} \\ \textit{1 September 2015} \end{array} \times 1.004 \times 1.125$$

These increased rates also apply to tobacco and tobacco products listed in Schedule 5 (US originating goods), Schedule 6 (Thai originating goods), Schedule 7 (Chilean originating goods), Schedule 8 (AANZ originating goods), Schedule 9 (Malaysian originating goods), Schedule 10 (Korean originating goods) and Schedule 11 (Japanese originating goods) in the Customs Tariff.

The Department of Immigration and Border Protection will arrange for the publication of a Notice of Substituted Rates of Customs Duty Notice (No. 4) 2015 in the *Commonwealth Gazette* on 1 September 2015.

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

for customs duty rates

Manager  
Trade Policy and Negotiation  
Department of Immigration and  
Border Protection  
5 Chan Street  
BELCONNEN ACT 2616  
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  
(02) 6216 2572

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

Schedule 3

24/3 (R.46)      24/5 (R.20)

Schedule 5

5/3 (R.42)

Schedule 6

6/3 (R.41)

Schedule 7

7/3 (R.25)

Schedule 8

8/3 (R.27)

Schedule 9

9/3 (R.16)

Schedule 10

10/3 (R.5)

Schedule 11

11/3 (R.5)

The above tariff reprint pages will be issued in the week commencing 31 August 2015.

Excise Tariff Working Pages are available from the Australian Taxation Office  
webpage. <http://law.at0.gov.au/atolaw/view.htm?Docid=PAC/BL030002/1&PiT=99991231235958>

**Notice of Reprints**

The Customs Tariff Working Pages Guide and Customs Tariff have been updated and will also be reprinted in the week commencing 31 August 2015.

The Guide

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Page 9 (R.15)

The Act

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Page 35 (R.2)      Page 37 (R.0)

(signed)  
Anita Langford  
Acting Assistant Secretary  
Trade Branch  
19<sup>th</sup> August 2015

**TABLE 1: CUSTOMS TARIFF ACT 1995 - TARIFF SUBHEADINGS AFFECTED BY 1 SEPTEMBER 2015 AWOTE INDEXATION**

<u>Customs Tariff Subheading</u>	<u>New Rates of Duty Operative from 1 September 2015</u>
2401.10.00	\$663.72/kg
2401.20.00      2403.11.00 2401.30.00      2403.19.90 2402.10.80      2403.91.00 2402.20.80      2403.99.80	\$663.72/kg of tobacco content
2402.10.20      2403.19.10 2402.20.20	\$0.53096/stick

**TABLE 2: EXCISE TARIFF ACT 1921 - EXCISE ITEMS AFFECTED BY 1 SEPTEMBER 2015 AWOTE INDEXATION**

<u>Excise Tariff Item / Subitem</u>	<u>New Rates of Duty Operative from 1 September 2015</u>
<b>5</b>	<b>Tobacco, cigars, cigarettes and snuff</b>
5.1	\$0.53096 per stick
5.5	\$663.72 per kilogram of tobacco content