

Customs Tariff Amendment (Tobacco) Act 2014

No. 8, 2014

An Act to amend the *Customs Tariff Act 1995*, and for related purposes

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Customs Tariff Amendment (Tobacco) Act 2014

No. 8, 2014

An Act to amend the *Customs Tariff Act 1995*, and for related purposes

[*Assented to 18 March 2014*]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Customs Tariff Amendment (Tobacco) Act 2014*.

2 Commencement

This Act is taken to have commenced on 1 December 2013.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendments

Part 1—Increase in tobacco duty rates on 1 December 2013

Customs Tariff Act 1995

1 Schedule 3 (subheading 2401.10.00, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg NZ/PG/FI/ DC/LDC/ SG:$502.48/kg |

2 Schedule 3 (subheading 2401.20.00, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg of tobacco content NZ/PG/FI/ DC/LDC/ SG: $502.48/kg of tobacco content |

3 Schedule 3 (subheading 2401.30.00, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg of tobacco content NZ/PG/FI/ DC/LDC/ SG: $502.48/kg of tobacco content |

4 Schedule 3 (subheading 2402.10.20, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $0.40197/stick NZ/PG/FI/ DC/LDC/ SG: $0.40197/stick |

5 Schedule 3 (subheading 2402.10.80, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg of tobacco content NZ/PG/FI/ DC/LDC/ SG: $502.48/kg of tobacco content |

6 Schedule 3 (subheading 2402.20.20, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $0.40197/stick NZ/PG/FI/ DC/LDC/ SG: $0.40197/stick |

7 Schedule 3 (subheading 2402.20.80, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg of tobacco content NZ/PG/FI/ DC/LDC/ SG: $502.48/kg of tobacco content |

8 Schedule 3 (subheading 2403.11.00, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg of tobacco content NZ/PG/FI/ DC/LDC/ SG: $502.48/kg of tobacco content |

9 Schedule 3 (subheading 2403.19.10, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $0.40197/stick NZ/PG/FI/ DC/LDC/ SG: $0.40197/stick |

10 Schedule 3 (subheading 2403.19.90, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg of tobacco content NZ/PG/FI/ DC/LDC/ SG: $502.48/kg of tobacco content |

11 Schedule 3 (subheading 2403.91.00, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg of tobacco content NZ/PG/FI/ DC/LDC/ SG: $502.48/kg of tobacco content |

12 Schedule 3 (subheading 2403.99.80, the rates of duty in column 3)

Repeal the rates of duty, substitute:

|  |
| --- |
| $502.48/kg of tobacco content NZ/PG/FI/ DC/LDC/ SG: $502.48/kg of tobacco content |

13 Schedule 5 (cell at table item 43A, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg |

14 Schedule 5 (cell at table item 44, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

15 Schedule 5 (cell at table item 45, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

16 Schedule 5 (cell at table item 46, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

17 Schedule 5 (cell at table item 47, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

18 Schedule 5 (cell at table item 48, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

19 Schedule 5 (cell at table item 49, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

20 Schedule 5 (cell at table item 50, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

21 Schedule 5 (cell at table item 51, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

22 Schedule 5 (cell at table item 51A, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

23 Schedule 5 (cell at table item 52, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

24 Schedule 5 (cell at table item 54, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

25 Schedule 6 (cell at table item 46A, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg |

26 Schedule 6 (cell at table item 47, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

27 Schedule 6 (cell at table item 48, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

28 Schedule 6 (cell at table item 49, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

29 Schedule 6 (cell at table item 50, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

30 Schedule 6 (cell at table item 51, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

31 Schedule 6 (cell at table item 52, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

32 Schedule 6 (cell at table item 53, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

33 Schedule 6 (cell at table item 54, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

34 Schedule 6 (cell at table item 54A, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

35 Schedule 6 (cell at table item 55, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

36 Schedule 6 (cell at table item 57, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

37 Schedule 7 (cell at table item 46, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg |

38 Schedule 7 (cell at table item 47, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

39 Schedule 7 (cell at table item 48, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

40 Schedule 7 (cell at table item 49, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

41 Schedule 7 (cell at table item 50, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

42 Schedule 7 (cell at table item 51, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

43 Schedule 7 (cell at table item 52, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

44 Schedule 7 (cell at table item 53, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

45 Schedule 7 (cell at table item 54, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

46 Schedule 7 (cell at table item 54A, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

47 Schedule 7 (cell at table item 55, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

48 Schedule 7 (cell at table item 56, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

49 Schedule 8 (cell at table item 52, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg |

50 Schedule 8 (cell at table item 53, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

51 Schedule 8 (cell at table item 54, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

52 Schedule 8 (cell at table item 55, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

53 Schedule 8 (cell at table item 56, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

54 Schedule 8 (cell at table item 57, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

55 Schedule 8 (cell at table item 58, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

56 Schedule 8 (cell at table item 59, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

57 Schedule 8 (cell at table item 60, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

58 Schedule 8 (cell at table item 60A, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

59 Schedule 8 (cell at table item 61, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

60 Schedule 8 (cell at table item 62, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

61 Schedule 9 (cell at table item 50, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg |

62 Schedule 9 (cell at table item 51, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

63 Schedule 9 (cell at table item 52, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

64 Schedule 9 (cell at table item 53, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

65 Schedule 9 (cell at table item 54, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

66 Schedule 9 (cell at table item 55, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

67 Schedule 9 (cell at table item 56, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

68 Schedule 9 (cell at table item 57, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

69 Schedule 9 (cell at table item 58, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $0.40197/stick |

70 Schedule 9 (cell at table item 59, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

71 Schedule 9 (cell at table item 60, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

72 Schedule 9 (cell at table item 61, column 3)

Repeal the cell, substitute:

|  |
| --- |
| $502.48/kg of tobacco content |

73 Application provision

The amendments made by this Part apply in relation to:

(a) goods imported into Australia on or after 1 December 2013; and

(b) goods imported into Australia before 1 December 2013, where the time for working out the rate of import duty on the goods had not occurred before 1 December 2013.

Part 2—Indexation

Customs Tariff Act 1995

74 Subsection 3(1) (definition of *excise item*)

Repeal the definition.

75 Section 19

Repeal the section, substitute:

19 Indexation of alcohol duty rates

(1) If the indexation factor for an indexation day is greater than 1, each alcohol duty rate is, on that day, replaced by the rate of duty worked out using the formula:



Note: For ***alcohol duty rate*** see section 19AA. For ***indexation factor*** see subsection (3)and for ***indexation day*** see subsection (10).

(2) The amount worked out under subsection (1) is to be rounded to the same number of decimal places as the alcohol duty rate was on the day before the indexation day (rounding up if the next decimal place is 5 or more).

Indexation factor

(3) The ***indexation factor*** for an indexation day is the number worked out using the formula:



Note: For ***index number***, ***reference quarter*** and ***base quarter*** see subsection (10).

(4) The indexation factor is to be worked out to 3 decimal places (rounding up if the fourth decimal place is 5 or more).

Effect of delay in publication of index number

(5) If the index number for the most recent reference quarter before the indexation day is published by the Australian Statistician on a day (the ***publication day***) that is not at least 5 days before the indexation day, then, despite subsection (1), any replacement of an alcohol duty rate under subsection (1) happens on the fifth day after the publication day.

Effect of Customs Tariff alteration

(6) If a Customs Tariff alteration proposed in the Parliament proposes to substitute, on and after a particular day, a rate for an alcohol duty rate, treat that substitution as having had effect on and after that day for the purposes of this section.

Changes to CPI index reference period and publication of substituted index numbers

(7) Amounts are to be worked out under this section:

(a) using only the index numbers published in terms of the most recently published index reference period for the Consumer Price Index; and

(b) disregarding index numbers published in substitution for previously published index numbers (except where the substituted numbers are published to take account of changes in the index reference period).

Application of replacement rate

(8) If an alcohol duty rate is replaced under this section on a particular day, the replacement rate applies in relation to:

(a) goods imported into Australia on or after that day; and

(b) goods imported into Australia before that day, where the time for working out the rate of import duty on the goods had not occurred before that day.

Publication of replacement rate

(9) The Chief Executive Officer of Customs must, on or as soon as practicable after the day an alcohol duty rate is replaced under this section, publish a notice in the *Gazette* advertising the replacement rate and the goods it applies to.

Definitions

(10) In this section:

***base quarter*** means the June quarter or December quarter that has the highest index number of all the June quarters and December quarters that occur:

(a) before the most recent reference quarter before the indexation day; and

(b) after the June quarter of 1983.

***December quarter*** means a period of 3 months starting on 1 October.

***indexation day*** means each 1 February and 1 August.

***index number***, for a quarter, means the All Groups Consumer Price Index number that is the weighted average of the 8 capital cities and is published by the Australian Statistician in relation to that quarter.

***June quarter*** means a period of 3 months starting on 1 April.

***reference quarter*** means the June quarter or December quarter.

19AA Alcohol duty rates

For the purposes of section 19, an ***alcohol duty rate*** is a rate of duty (except so much of a rate of duty as is calculated as a percentage of the value of goods) in the following:

(a) the rate column of a subheading in Schedule 3 specified in the table at the end of this section;

(b) the rate column of an item in the table in Schedule 5, 6, 7, 8 or 9 that relates to a subheading in Schedule 3 specified in the table at the end of this section.

| Alcohol duty rates |
| --- |
| 2203.00.61 |
| 2203.00.62 |
| 2203.00.69 |
| 2203.00.71 |
| 2203.00.72 |
| 2203.00.79 |
| 2203.00.91 |
| 2203.00.99 |
| 2204.10.23 |
| 2204.10.29 |
| 2204.10.83 |
| 2204.10.89 |
| 2204.21.30 |
| 2204.21.90 |
| 2204.29.30 |
| 2204.29.90 |
| 2205.10.30 |
| 2205.10.90 |
| 2205.90.30 |
| 2205.90.90 |
| 2206.00.13 |
| 2206.00.14 |
| 2206.00.21 |
| 2206.00.22 |
| 2206.00.23 |
| 2206.00.24 |
| 2206.00.52 |
| 2206.00.59 |
| 2206.00.62 |
| 2206.00.69 |
| 2206.00.74 |
| 2206.00.75 |
| 2206.00.78 |
| 2206.00.82 |
| 2206.00.83 |
| 2206.00.89 |
| 2206.00.92 |
| 2206.00.99 |
| 2207.10.00 |
| 2208.20.10 |
| 2208.20.90 |
| 2208.30.00 |
| 2208.40.00 |
| 2208.50.00 |
| 2208.60.00 |
| 2208.70.00 |
| 2208.90.20 |
| 2208.90.90 |

19AB Indexation of tobacco duty rates

(1) If the indexation factor for an indexation day is at least 1, each tobacco duty rate is, on that day, replaced by the rate of duty worked out using the formula:



Note: For ***tobacco duty rate*** see section 19AC. For ***indexation factor*** see subsections (3) and (5), for ***additional factor*** see subsection (6) and for ***indexation day*** see subsection (12).

(2) The amount worked out under subsection (1) is to be rounded to the same number of decimal places as the tobacco duty rate was on the day before the indexation day (rounding up if the next decimal place is 5 or more).

Indexation factor

(3) The ***indexation factor*** for an indexation day is the number worked out using the formula:



Note: For ***AWOTE amount***, ***reference quarter*** and ***base quarter*** see subsection (12).

(4) The indexation factor is to be worked out to 3 decimal places (rounding up if the fourth decimal place is 5 or more).

(5) Despite subsection (3), treat the ***indexation factor*** for 1 September 2014, 1 September 2015 or 1 September 2016 as 1 if, on that day, it would otherwise be less than 1.

Additional factor

(6) The ***additional factor*** for an indexation day is:

(a) 1.125, if the indexation day is 1 September 2014, 1 September 2015 or 1 September 2016; or

(b) 1, for each other indexation day.

Effect of delay in publication of AWOTE amount

(7) If the AWOTE amount for the most recent reference quarter before the indexation day is published by the Australian Statistician on a day (the ***publication day***) that is not at least 5 days before the indexation day, then, despite subsection (1), any replacement of a tobacco duty rate under subsection (1) happens on the fifth day after the publication day.

Effect of Customs Tariff alteration

(8) If a Customs Tariff alteration proposed in the Parliament proposes to substitute, on and after a particular day, a rate for a tobacco duty rate, treat that substitution as having had effect on and after that day for the purposes of this section.

Publication of substituted AWOTE amounts

(9) If the Australian Statistician publishes an estimate of full‑time adult average weekly ordinary time earnings for persons in Australia for a period for which such an estimate was previously published by the Australian Statistician, the publication of the later estimate is to be disregarded for the purposes of this section.

Application of replacement rate

(10) If a tobacco duty rate is replaced under this section on a particular day, the replacement rate applies in relation to:

(a) goods imported into Australia on or after that day; and

(b) goods imported into Australia before that day, where the time for working out the rate of import duty on the goods had not occurred before that day.

Publication of replacement rate

(11) The Chief Executive Officer of Customs must, on or as soon as practicable after the day a tobacco duty rate is replaced under this section, publish a notice in the *Gazette* advertising the replacement rate and the goods it applies to.

Definitions

(12) In this section:

***AWOTE amount***, for a quarter, means the estimate of the full‑time adult average weekly ordinary time earnings for persons in Australia for the middle month of the quarter published by the Australian Statistician in relation to that month.

***base quarter*** means the June quarter or December quarter that has the highest AWOTE amount of all the June quarters and December quarters that occur:

(a) before the most recent reference quarter before the indexation day; and

(b) after the December quarter of 2012.

***December quarter*** means a period of 3 months starting on 1 October.

***indexation day*** means each 1 March and 1 September.

***June quarter*** means a period of 3 months starting on 1 April.

***reference quarter*** means the June quarter or December quarter.

19AC Tobacco duty rates

For the purposes of section 19AB, a ***tobacco duty rate*** is a rate of duty in the following:

(a) the rate column of a subheading in Schedule 3 specified in the table at the end of this section;

(b) the rate column of an item in the table in Schedule 5, 6, 7, 8 or 9 that relates to a subheading in Schedule 3 specified in the table at the end of this section.

| Tobacco duty rates |
| --- |
| 2401.10.00 |
| 2401.20.00 |
| 2401.30.00 |
| 2402.10.20 |
| 2402.10.80 |
| 2402.20.20 |
| 2402.20.80 |
| 2403.11.00 |
| 2403.19.10 |
| 2403.19.90 |
| 2403.91.00 |
| 2403.99.80 |

76 Application provisions

(1) Section 19 of the *Customs Tariff Act 1995*, as amended by this Part, applies in relation to the indexation day that is 1 February 2014 and each later indexation day.

(2) Section 19AB of the *Customs Tariff Act 1995*, as amended by this Part, applies in relation to the indexation day that is 1 March 2014 and each later indexation day.

[*Minister’s second reading speech made in—*

*House of Representatives on 26 February 2014*

*Senate on 5 March 2014*]

(10/14)