



Australian Customs Notice No. 2021/09

Customs duty rates for tobacco and tobacco products – March 2021

This notice sets out the arrangements for the excise-equivalent customs duty rates on tobacco and tobacco products, as a result of the Average Weekly Ordinary Time Earnings (AWOTE) number released by the Australian Bureau of Statistics on 25 February 2021.

Provisions for tobacco products subject to a 'per stick' rate

Sections 19AB and 19AC of the *Customs Tariff Act 1995* (Customs Tariff Act) provide for customs duty rates on tobacco products, where the amount of customs duty is determined on a 'per stick' basis, to be indexed to the AWOTE by application of an indexation factor. The AWOTE Indexation factor is calculated by dividing the most recent AWOTE figure by the highest AWOTE figure for a previous June or December quarter that does not precede the 2012 December Quarter. When the indexation factor is greater than one, the new customs duty rates are determined by the application of the indexation factor. When the indexation factor is less than or equal to one, no change to the customs duty rates are made.

The figures used to calculate the AWOTE indexation factor for March 2021 are set out in the table below.

Most recent AWOTE	Highest previous June or December Quarter AWOTE	AWOTE Indexation factor	Weight conversion factor for September 2020 onwards
December Quarter 2020	June Quarter 2020		
1711.6	1713.9	0.999	0.0007

As the indexation factor for March 2021 (0.999) is less than one, and where the amount of customs duty is determined on a 'per stick' basis, customs duty rates for tobacco products in Schedules 3 and 4A to 13 to the Customs Tariff Act will remain at current levels.

Provisions for tobacco products subject to a 'per kilogram' or 'per kilogram of tobacco content' rate

Section 19ACA of the Customs Tariff Act provides for biannual adjustments of the excise-equivalent customs duty rates applied to tobacco products where the amount of customs duty is determined on a 'per kilogram' or a 'per kilogram of tobacco content' basis. The new rate is determined by dividing the indexed 'per stick' rate by the applicable weight conversion factor. From 1 September 2020, the new rate is determined by dividing the indexed 'per stick' rate by the weight conversion factor, 0.0007. As there is no change to the 'per stick' rate, there will be no change to the 'per kilogram' and the 'per kilogram of tobacco content' rate.

The rates of excise-equivalent customs duty for tobacco and tobacco products that continue to apply are set out below.

Customs Tariff Subheading	New excise-equivalent customs duty rates
2401.10.00	\$1,576.57 /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	\$1,576.57 /kg of tobacco content
2402.10.20 2403.19.10 2402.20.20	\$ 1.10360 /stick

No changes will be made to the rates of excise duty on goods subject to excise. Further information can be found on the Australian Taxation Office website via the following link:

<https://www.ato.gov.au/Business/Excise-on-tobacco/>.

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

For customs duty rates	For excise duty rates
Assistant Director Trade Policy Australian Border Force Ph: (02) 6264 2143	Director Indirect Tax, Revenue Performance Australian Taxation Office Ph: (02) 6216 1397

No changes will be made to the Online Tariff available on www.abf.gov.au and no revised Customs Tariff Working Pages will be issued.

[Signed]
Joshua Hutton
A/g Assistant Secretary
Customs and Trade Policy Branch
25 February 2021