



Australian Customs Notice

No. 2023/08

Customs duty rates for tobacco and tobacco products – March 2023

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 23 February 2023.

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 2023 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 2022	June Quarter 2022		
1807.70	1769.80	1.021	0.0007

As the indexation factor for March 2023 (1.021) is greater 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 14 to the Customs Tariff Act will be increased by application of the indexation factor.

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.

The rates of excise-equivalent customs duty for tobacco and tobacco products that apply from 1 March 2023 are set out below.

Customs Tariff Subheading	New excise-equivalent customs duty rates
2401.10.00	\$1,663.36 /kg
2401.20.00 2403.19.90 2401.30.00 2403.91.00 2402.10.80 2403.99.80 2402.20.80 2404.11.00 2403.11.00	\$1,663.36 /kg of tobacco content
2402.10.20 2403.19.10 2402.20.20	\$ 1.16435 /stick

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 and Tariff Policy Australian Border Force Ph: (02) 6264 2143	Director Excise Centre Private Wealth Australian Taxation Office Ph: (03) 9285 1974

Revisions will be made to the Online Tariff available on www.abf.gov.au and revised Customs Tariff Working Pages are at **Attachment A**.

[signed]
 Joshua Hutton
 A/g Assistant Secretary
 Customs and Trade Policy Branch
 23 February 2023

Attachment A – Updated Working Tariff Pages

Please note that only the working pages for Schedule 3 are attached.

**CUSTOMS TARIFF
SCHEDULE 3**

Section 4
Chapter 24/3

R.61

Reference Number	Statistical Code/Unit	Goods	Rate #
2401		UNMANUFACTURED TOBACCO; TOBACCO REFUSE:	
★ 2401.10.00 *	20 kg	- Tobacco, not stemmed/stripped	\$1,663.36/kg NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg
★ 2401.20.00 *		- Tobacco, partly or wholly stemmed/stripped	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg of tobacco content
	28 kg	<i>Flue cured virginia type</i>	
	29 kg	<i>Other</i>	
★ 2401.30.00 *	12 kg	- Tobacco refuse	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg of tobacco content
2402		CIGARS, CHERROOTS, CIGARILLOS AND CIGARETTES, OF TOBACCO OR OF TOBACCO SUBSTITUTES:	
2402.10		- Cigars, cheroots and cigarillos, containing tobacco:	
★ 2402.10.20 *	01 No	--- Not exceeding in weight 0.8 grams per stick of tobacco content	\$1.16435/stick NZ/PG/FI/DC/ LDC/SG: \$1.16435/stick
★ 2402.10.80 *		--- Other	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg of tobacco content
	02 kg	<i>Tobacco content per stick exceeding 0.8 grams but not exceeding 2.0 grams</i>	
	03 kg	<i>Tobacco content per stick exceeding 2.0 grams but not exceeding 5.0 grams</i>	
	04 kg	<i>Tobacco content per stick exceeding 5.0 grams</i>	

* When quoting this tariff subheading on an Import Declaration, the Rate Number 001 must be quoted on that Import Declaration.

Unless otherwise indicated NZ, PG, FI, DC, LDC and SG rates are Free.

★ Operative 1/03/23

Unless otherwise indicated general rate applies for CA.

Unless indicated in the relevant Schedule, rates for originating goods under a free trade agreement are Free.

DCS denotes the rate for countries and places listed in Part 4 of Schedule 1 to the Customs Tariff Regulations 2004.

DCT denotes the rate for HK, KR, SG and TW.

If no DCT rate shown, DCS rate applies. If no DCT or DCS rate shown, general rate applies.

The duty rate for goods from Russia/Belarus and Ukraine are determined in accordance with proposed sections 18A and 18B respectively.

**CUSTOMS TARIFF
SCHEDULE 3**

**Section 4
Chapter 24/4**

Reference Number	Statistical Code/Unit		Goods	Rate #
2402.20			- Cigarettes containing tobacco:	
★ 2402.20.20 *	<i>05</i>	<i>No</i>	--- Not exceeding in weight 0.8 grams per stick of tobacco content	\$1.16435/stick NZ/PG/FI/DC/ LDC/SG: \$1.16435/stick
★ 2402.20.80 *	<i>06</i>	<i>kg</i>	--- Other	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg of tobacco content
2402.90.00	<i>17</i>	<i>kg</i>	- Other	Free
2403			OTHER MANUFACTURED TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES; "HOMOGENISED" OR "RECONSTITUTED" TOBACCO; TOBACCO EXTRACTS AND ESSENCES:	
2403.1			- Smoking tobacco, whether or not containing tobacco substitutes in any proportion:	
★ 2403.11.00 *	<i>11</i>	<i>kg</i>	-- Water pipe tobacco specified in Subheading Note 1 to this Chapter	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg of tobacco content
2403.19			-- Other:	
★ 2403.19.10 *	<i>13</i>	<i>No</i>	--- In stick form not exceeding in weight 0.8 grams per stick of tobacco content	\$1.16435/stick NZ/PG/FI/DC/ LDC/SG: \$1.16435/stick
★ 2403.19.90 *	<i>15</i>	<i>kg</i>	--- Other	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg of tobacco content

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**CUSTOMS TARIFF
SCHEDULE 3**

Section 4
Chapter 24/5

R.36

Reference Number	Statistical Code/Unit	Goods	Rate #
2403.9		- Other:	
★ 2403.91.00 *	32 kg	-- "Homogenised" or "reconstituted" tobacco	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg of tobacco content
2403.99		-- Other:	
2403.99.10	33 kg	--- Not containing tobacco	Free
★ 2403.99.80 *	34 kg	--- Other	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC/SG: \$1,663.36/kg of tobacco content
2404		PRODUCTS CONTAINING TOBACCO, RECONSTITUTED TOBACCO, NICOTINE, OR TOBACCO OR NICOTINE SUBSTITUTES, INTENDED FOR INHALATION WITHOUT COMBUSTION; OTHER NICOTINE CONTAINING PRODUCTS INTENDED FOR THE INTAKE OF NICOTINE INTO THE HUMAN BODY:	
2404.1		- Products intended for inhalation without combustion:	
★ 2404.11.00	11 kg	-- Containing tobacco or reconstituted tobacco	\$1,663.36/kg of tobacco content NZ/PG/FI/DC/ LDC: \$1,663.36/kg of tobacco content
2404.12		-- Other, containing nicotine:	
2404.12.10	12 kg	--- Intended to assist tobacco use cessation	Free
2404.12.90	90 kg	--- Other	5%
2404.19		-- Other:	
2404.19.10	21 kg	--- Smoking molasses or shisha not containing tobacco or nicotine	Free
2404.19.90	91 kg	--- Other	5%

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★ Operative 1/03/23

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**CUSTOMS TARIFF
SCHEDULE 3**

Section 4
Chapter 24/6

(Section 5 follows)

Reference Number	Statistical Code/Unit	Goods	Rate #
2404.9		- Other:	
2404.91		-- For oral application:	
2404.91.10	<i>31 kg</i>	--- Intended to assist tobacco use cessation	Free
2404.91.90	<i>92 kg</i>	--- Other	5%
2404.92		-- For transdermal application:	
2404.92.10	<i>41 kg</i>	--- Intended to assist tobacco use cessation	Free
2404.92.90	<i>93 kg</i>	--- Other	5%
2404.99		-- Other:	
2404.99.10	<i>51 kg</i>	--- Intended to assist tobacco use cessation	Free
2404.99.90	<i>94 kg</i>	--- Other	5%

Unless otherwise indicated NZ, PG, FI, DC, LDC and SG rates are Free.

1/1/22

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