



Australian
BORDER FORCE

Australian Customs Notice

No. 2024/41

Remissions of Duty Payable on Bunker Fuel

From 1 January 2025, a new remission circumstance will be made available for excise-equivalent goods duty that is payable on imported bunker fuel and collected by the Australian Border Force (ABF). The measure permits a remission for excise-equivalent goods duty that must currently be paid on imported bunker fuel. Bunker fuel, or “ship’s bunkers” is the oil carried as fuel on oil-burning ships or the fuel that is stored to power the ship or auxiliary equipment, rather than as cargo.

The measure removes the need to pay excise-equivalent goods duty to the ABF and claim fuel tax credits on imported bunker fuel from the Australian Taxation Office (ATO). Currently, bunker fuel consumed during an international voyage is duty-free, but bunker fuel onboard a ship, arriving in Australia which embarks on voyages that are not international voyages, may be liable to pay excise-equivalent goods duty for voyages undertaken within Australia. The ship’s operator or their agent may then be entitled to claim fuel tax credits from the ATO for excise-equivalent goods duty paid on any imported bunk fuel.

From 1 January 2025, a remission of excise-equivalent goods duty, otherwise payable on imported bunker fuel, may apply if **all** of the requirements in item 22 of the table in clause 1 of Schedule 6 to the *Customs Regulation 2015* (Customs Regulation) are met. These are:

1. Duty is payable on the bunker fuel which is classified under certain tariff subheadings in the table in clause 1 of Schedule 1 of the Customs Regulation;
2. The bunker fuel is ship’s stores, being stores for the use of passengers or crew of a ship, or for the service of a ship;
3. The bunker fuel is for the purpose of carrying on an enterprise (within the meaning of the *A New Tax System (Goods and Services Tax) Act 1999*);
4. The ship has a gross tonnage (within the meaning of the *Shipping Reform (Tax Incentives) Act 2012*) of at least 400; and
5. While undertaking a voyage in Australia, the ship is not making an international voyage (under the *Customs Act 1901*). For further information on what may and may not be an international voyage, please refer to the ATO’s Goods and Services Tax Ruling GSTR 2003/4 on ‘Goods and services tax: stores and spare parts for international flights and voyages’ for guidance at www.ato.gov.au/law/view/document?docid=GST/GSTR20034/NAT/ATO/00001&PiT=20130731000001.

A Full Import Declaration must still be completed and submitted to the ABF for the remission to apply to the excise-equivalent goods duty on imported bunker fuel.

Applying a remission in the Integrated Cargo System

Eligible shipping vessels undertaking domestic voyages that are provided an automatic remission on excise-equivalent goods duty for their bunker fuels may use a new Treatment Code **142** and answer **Lodgment Questions** in the ICS.

Treatment code **142** can only be used on a line if:

- That line is for bunker fuels under an eligible **Tariff classification**;
- The answer to the question, are the goods ships stores (i.e. for the service of a ship), is **Yes**;
- The answer to the question, are the goods for the purpose of carrying on an enterprise, is **Yes**;
- The answer to the question, does the ship have at least 400 gross tonnage, is **Yes**.
- The answer to the question, while undertaking a voyage in Australia, is the ship not making an international voyage (under the Customs Act 1901), is **Yes**.

Further information

Further information on the remission and the measure is available at www.ato.gov.au/bunkerfuel.



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18 December 2024