



Australian Customs Notice

No. 2025/05

Customs duty rates for tobacco and tobacco products – March 2025

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 20 February 2025.

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 2025 are set out in the table below:

Most recent AWOTE	Highest previous June or December Quarter AWOTE	AWOTE Indexation factor	Special Indexation factor	Weight conversion factor for 1 March 2025
December Quarter 2024	June Quarter 2024			
1975.80	1923.40	1.027	1.00	0.00065

As the indexation factor for March 2025 (1.027) 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 15 to the Customs Tariff Act will be increased by application of the indexation factor.

In accordance with *Customs Tariff Amendment (Tobacco) Act 2024*, which implements measures announced in the 2023-24 Federal Budget, an additional factor of 1.05 will be applied in addition to the indexation factor to determine the new customs duty rates for September 2023, September 2024 and September 2025.

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. In line with *Customs Tariff Amendment (Tobacco) Act 2024*,

for the duty rates commencing on 1 March 2025, the new rates are determined by dividing the indexed 'per stick' rate by the weight conversion factor, 0.00065.

Excise-equivalent customs duty rates that apply from 1 March 2025

The rates of excise-equivalent customs duty for tobacco and tobacco products that apply from 1 March 2025 are set out below.

Customs Tariff Subheading		New excise-equivalent customs duty rates
2401.10.00		\$ 2,158.65 /kg
2401.20.00	2403.19.90	\$ 2,158.65 /kg of tobacco content
2401.30.00	2403.91.00	
2402.10.80	2403.99.80	
2402.20.80	2404.11.00	
2403.11.00		
2402.10.20	2403.19.10	\$ 1.40312 /stick
2402.20.20		

Further information can be found on the Australian Taxation Office website via the following link:
<https://www.ato.gov.au/businesses-and-organisations/gst-excise-and-indirect-taxes/tobacco-and-excise>.

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

For customs duty rates	For excise duty rates
<u>Australian Border Force</u> Email: tradepolicy1@abf.gov.au Ph: 131 881 (within Australia) +61 2 6196 0196 (outside Australia) (between 9am to 5pm, Monday to Friday)	<u>Australian Taxation Office</u> Email: Tobacco@ato.gov.au Ph: 1300 137 290 (between 8am and 6pm, Monday to Friday)

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]
Latha Reardon
Acting Assistant Secretary
Customs and Trade Policy Branch
25 February 2025

Attachment A – Updated Working Tariff Pages

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

**CUSTOMS TARIFF
SCHEDULE 3**

**Section 4
Chapter 24/3**

R.65					
Reference Number	Statistical Code/Unit	Goods	Rate #		
2401		UNMANUFACTURED TOBACCO; TOBACCO REFUSE:			
★ 2401.10.00 *	20 kg	- Tobacco, not stemmed/stripped	\$2,158.65/kg NZ/PG/FI/DC/ LDC: \$2,158.65/kg		
★ 2401.20.00 *		- Tobacco, partly or wholly stemmed/stripped	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/kg of tobacco content		
	28 kg	<i>Flue cured virginia type</i>			
	29 kg	<i>Other</i>			
★ 2401.30.00 *	12 kg	- Tobacco refuse	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/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	\$1.40312/stick NZ/PG/FI/DC/ LDC: \$1.40312/stick		
★ 2402.10.80 *		--- Other	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/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 and LDC rates are Free.

★ Operative 1/3/25

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.

From 25 April 2022 the amount of duty applied to additional duty goods, is equal to the general rate of duty plus an amount equal to 35% of the value of the goods.

From 4 July 2022, for goods of Ukraine, if a DC rate is shown, then the DC rate applies, if no DC rate shown, Free rate applies.

**CUSTOMS TARIFF
SCHEDULE 3**

**Section 4
Chapter 24/4**

Reference Number	Statistical Code/Unit		Goods	Rate #
2402.20			- Cigarettes containing tobacco:	
★ 2402.20.20 *	05	No	--- Not exceeding in weight 0.8 grams per stick of tobacco content	\$1.40312/stick NZ/PG/FI/DC/ LDC: \$1.40312/stick
★ 2402.20.80 *	06	kg	--- Other	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/kg of tobacco content
2402.90.00	17	kg	- 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 *	11	kg	-- Water pipe tobacco specified in Subheading Note 1 to this Chapter	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/kg of tobacco content
2403.19			-- Other:	
★ 2403.19.10 *	13	No	--- In stick form not exceeding in weight 0.8 grams per stick of tobacco content	\$1.40312/stick NZ/PG/FI/DC/ LDC: \$1.40312/stick
★ 2403.19.90 *	15	kg	--- Other	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/kg of tobacco content

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**CUSTOMS TARIFF
SCHEDULE 3**

Section 4
Chapter 24/5

R.40					Chapter 24/5
Reference Number	Statistical Code/Unit		Goods	Rate #	
2403.9			- Other:		
★ 2403.91.00 *	32	kg	-- "Homogenised" or "reconstituted" tobacco	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/kg of tobacco content	
2403.99			-- Other:		
2403.99.10	33	kg	--- Not containing tobacco	Free	
★ 2403.99.80 *	34	kg	--- Other	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/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	\$2,158.65/kg of tobacco content NZ/PG/FI/DC/ LDC: \$2,158.65/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 1/3/25

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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	31 kg	--- Intended to assist tobacco use cessation	Free
2404.91.90	92 kg	--- Other	5%
2404.92		-- For transdermal application:	
2404.92.10	41 kg	--- Intended to assist tobacco use cessation	Free
2404.92.90	93 kg	--- Other	Free
2404.99		-- Other:	
2404.99.10	51 kg	--- Intended to assist tobacco use cessation	Free
2404.99.90	94 kg	--- Other	5%

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

1/7/24

Unless otherwise indicated general rate applies for CA.

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From 25 April 2022 the amount of duty applied to additional duty goods, is equal to the general rate of duty plus an amount equal to 35% of the value of the goods.

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