Australian
BORDER FORCE

Australian Customs Notice 2026/27

Clarification on the export status of ship's stores and eligibility for drawback of import duties

The Australian Border Force (ABF) has identified an emerging practice involving duty drawback claims for goods loaded onto vessels undertaking international voyages, where the goods are intended for use or consumption as ship's stores.

The purpose of this notice is to advise industry of the ABF's position on the export status of ship's stores, and that ship's stores are not eligible for duty drawback claims.

Ship's stores, duties and duty drawback

Ship's stores that are loaded onto vessels engaged in international voyages (as defined in section 130C of the Customs Act) are not liable for duties under section 130 of the *Customs Act 1901*, or excise duties under section 160A of the *Excise Act 1901*. This treatment applies to goods for which customs and/or excise duties have not been assessed, paid and remitted to the ABF at the time of loading.

The ABF is aware that goods which have been procured from the Australian domestic economy are frequently loaded as ship's stores onto vessels engaged in an international voyage. Some of those goods may have previously been imported into Australia with customs and/or excise duties paid.

Drawback of import duty may be payable on the exportation of imported goods for which import duty has been paid. This requires an application by the legal owner of the goods at the time the goods are exported from Australia. In addition to exporting the goods, the applicant must satisfy certain conditions outlined in section 37 of the Customs (International Obligations) Regulation 2015.

Export status of ship's stores

The ABF considers goods exported when:

- goods are loaded onto a ship or aircraft and are consigned to a place outside Australia;
- the goods are intended to be landed at a place outside Australia; and
- the international voyage or flight from the final port or airport within Australia to that place has actually commenced.

Under section 4 of the Customs Act, 'Australia' is defined as not including the Australia's external territories.

As ship's stores are loaded onto vessels for use or consumption on board during a voyage, such goods are not consigned to, or intended to be landed at, a place outside Australia. Therefore, the ABF considers that ship's stores that are loaded onto a ship departing Australia are <u>not exported</u> for customs purposes.

This means that:

- an export entry for ship stores is not required under section 113 of the Customs Act; and
- ship's stores do not meet the exportation requirement for duty drawback set out in section 37 of the Customs (International Obligations) Regulations.

[Signed]

Latha Reardon

A/g Assistant Secretary

Customs and Trade Frameworks Branch

Strategy and Policy Division