

4th of February, 2015

IMPORTANT NOTICE TO ALL CUSTOMERS

Duty rate increases on certain Beer, Spirits and Fuel Products

Dear valued client,

Australian Customs and Border Protection Service has advised us of a CPI (December quarter 2014) increase in excise-equivalent customs duty and excise duty on certain beer, spirits and fuel products.

The increases have come into effect from 2nd February, 2015.

Please refer to the below for a full breakdown.

Should you have any questions, please do not hesitate to contact your account representative.

Your global logistics partner,

ADM GLOBAL PTY LTD.

Melbourne – Head Office

1-5 Lambeck Drive
Tullamarine, VIC, 3043
P.O. Box 502
Tullamarine, VIC, 3043
Tel: +61 3 8336 0800
Fax: +61 3 9330 4422

Sydney

Level 1, 25-33 Allen Street
Waterloo, NSW, 2017
P.O. Box 1451
Strawberry Hills, NSW, 2012
Tel: +61 2 9690 0089
Fax: +61 2 9690 0087



CPI adjustments – operative on and from 2 February 2015

The Consumer Price Index (CPI) for December Quarter 2014 was released by the Australian Bureau of Statistics (ABS) on 28 February 2015.

The new rates of excise-equivalent customs duty and excise duty listed in Tables 1 and 2 are calculated by multiplying the previous rates by an indexation factor. The indexation factor is calculated by dividing the most recent CPI number, that is, the December Quarter 2014 number, by the previous highest December or June Quarter number occurring after the June Quarter 1983.

Accordingly, the December Quarter 2014 index number (106.6) has been divided by the June Quarter 2014 index number (105.9) to establish an indexation factor of 1.007. As this factor is greater than one, rates of excise-equivalent customs duty and excise duty are increased by the application of this factor.

The rates are also applied to goods subject to indexation in Schedule 5 (US originating goods), Schedule 6 (Thai originating goods), Schedule 7 (Chilean originating goods), Schedule 8 (AANZ originating goods), Schedule 9 (Malaysian originating goods), Schedule 10 (Korean originating goods) and Schedule 11 (Japanese originating goods) in the Customs Tariff.

Note, that as outlined in ACN 2014/53, the indexed excise and excise-equivalent customs duty for fuels (excluding aviation fuels) will be rounded to three decimal places of a dollar. This change is to simplify the fuel tax credit claim calculation.

| <u>Customs Tariff Subheading</u> | <u>New Rates of Duty Operative from 2 February 2015</u> |
|---|---|
| 2203.00.61 2206.00.74 | \$40.43/L of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.62 2206.00.75 | \$47.09/L of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.69 2206.00.78 | \$47.09/L of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.71 2206.00.82 | \$8.08/L of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.72 2206.00.83 | \$25.33/L of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.79 2206.00.89 | \$33.16/L of alcohol, calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15 |
| 2203.00.91 2206.00.14 | \$79.77/L of alcohol, plus customs duty where applicable |
| 2203.00.99 2206.00.92 | |
| 2206.00.13 2206.00.99 | |
| 2204.10.23 2206.00.24 | |
| 2204.10.29 2206.00.52 | |
| 2204.10.83 2206.00.59 | |
| 2204.10.89 2206.00.62 | |
| 2204.21.30 2206.00.69 | |
| 2204.21.90 2207.10.00 | |

| Customs Tariff Subheading | | New Rates of Duty Operative from 2 February 2015 |
|----------------------------------|------------|---|
| 2204.29.30 | 2208.20.90 | \$79.77/L of alcohol, plus customs duty where applicable |
| 2204.29.90 | 2208.30.00 | |
| 2205.10.30 | 2208.40.00 | |
| 2205.10.90 | 2208.50.00 | |
| 2205.90.30 | 2208.60.00 | |
| 2205.90.90 | 2208.70.00 | |
| 2206.00.21 | 2208.90.20 | |
| 2206.00.22 | 2208.90.90 | |
| 2206.00.23 | | |
| 2208.20.10 | | \$74.50/L of alcohol, plus customs duty where applicable |
| 2707.10.00 | 2707.20.00 | \$0.389/L of petroleum fuels including diesel, ethanol and biodiesel and blends thereof |
| 2707.30.00 | 2707.50.00 | |
| 2709.00.90 | 2710.12.62 | |
| 2710.12.69 | 2710.12.70 | |
| 2710.19.16 | 2710.19.22 | |
| 2710.19.28 | 2710.19.51 | |
| 2710.19.52 | 2710.19.53 | |
| 2710.19.70 | 2710.20.00 | |
| 2710.91.16 | 2710.91.22 | |
| 2710.91.28 | 2710.91.51 | |
| 2710.91.52 | 2710.91.53 | |
| 2710.91.62 | 2710.91.69 | |
| 2710.91.70 | 2710.91.80 | |
| 2710.99.16 | 2710.99.22 | |
| 2710.99.28 | 2710.99.51 | |
| 2710.99.52 | 2710.99.53 | |
| 2710.99.62 | 2710.99.69 | |
| 2710.99.70 | 2710.99.80 | |
| 2902.20.00 | 2902.30.00 | |
| 2902.41.00 | 2902.42.00 | |
| 2902.43.00 | 2902.44.00 | |
| 3817.00.10 | 3824.90.50 | |
| 3824.90.60 | 3826.00.10 | |
| 3826.00.20 | | |
| 2711.11.00 | | \$0.213/kg of liquefied natural gas |
| 2711.21.10 | | \$0.213/kg of compressed natural gas |
| 2711.12.10 | 2711.13.10 | \$0.102/L of liquefied petroleum gas |

The new rates will come into effect on and from 2 February 2015. Equivalent changes will also be made to the Excise Tariff on that date. ACN 2015/04 will be published in connection with these changes. It will be available on the Customs website in the near future and will be distributed in hard copy in the week commencing 9 February 2015. Amended tariff working pages will also be distributed in that week.

