



## Customs Tariff Amendment (Aviation Fuel) Bill 2010

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## Customs Tariff Amendment (Aviation Fuel) Bill 2010

**Date introduced:** 3 June 2010

**House:** House of Representatives

**Portfolio:** Home Affairs

**Commencement:** Commences on 1 July 2010.

**Links:** The [links](#) to the Bill, its Explanatory Memorandum and second reading speech can be found on the Bills page, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

### Purpose

The purpose of the Bill is to amend the *Customs Tariff Act 1995* (the Act) to increase the excise equivalent customs duty on aviation fuel.

### Background

The Customs Tariff Amendment (Aviation Fuel) Bill 2010 is a companion bill to the Excise Tariff Amendment (Aviation Fuel) Bill 2010. For detailed background information see the Bills Digest for the Excise Tariff Amendment (Aviation Fuel) Bill 2010.<sup>1</sup>

**Customs duty** is ‘a monetary fee imposed on imported or, less commonly exported goods by the government as a condition of their importation or exportation. The power to impose customs and excise duties is reserved solely to the Commonwealth.’<sup>2</sup>

### Committee consideration

As of 9 June 2010, the Bill has not been considered by any Committee.

### Financial implications

The measure was announced in the Federal Budget for 2010-11 and the Explanatory Memorandum states that an additional \$89.9 million for CASA will result over four financial years from 1 July 2010 to 30 June 2014.<sup>3</sup>

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1. M Coombs, *Excise Tariff Amendment (Aviation Fuel) Bill 2010*, Bills digest, no. 172, 2009-10, Parliamentary Library, Canberra, 2010.
  2. Definition of *Customs duty*, Encyclopaedic Australian Legal Dictionary, LexisNexisAU.
  3. Explanatory Memorandum, Customs Tariff Amendment (Aviation Fuel) Bill 2010, p.1.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

## Main provisions

Schedule 1 of the Customs Tariff Amendment (Aviation Fuel) Bill 2010 amends the various schedules to the Act in the following way:

### Customs Tariff Act 1995

#### **Schedule 3—Classification of goods and general and special rates of duty**

**Items 1 to 6 of the Bill repeal and substitute** the existing rate of duty with the new rate of duty for aviation gasoline and aviation kerosene. It will change from \$0.02854 per litre to \$0.03556 per litre.

#### **Schedule 5—US originating goods**

**Items 7 to 12 of the Bill repeal and substitute** the existing rate of duty with the new rate of duty.

#### **Schedule 6—Thai originating goods**

**Items 13 to 18 repeal and substitute** the existing rate of duty with the new rate of duty.

#### **Schedule 7—Chilean originating goods**

**Items 19 to 24 repeal and substitute** the existing rate of duty with the new rate.

#### **Schedule 8—ASEAN-Australia-New Zealand**

**Items 25 to 30 repeal and substitute** the existing rate of duty with the new rate.

Schedules 5 to 8 of the Act are amended to include the increase in the rates of duty for aviation fuel imported under the free trade agreements currently in place with Australia. These amendments apply to the free trade agreements with the United States, Thailand, Chile and ASEAN and New Zealand. The effects under all these agreements will be the same, that is, the rates will increase from \$0.02854 per litre to \$0.03556 per litre.

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