



Australian Government
Australian Customs and
Border Protection Service

AUSTRALIAN CUSTOMS NOTICE NO. 2009/39

Tariff changes resulting from the commencement of the Customs Tariff Amendment (2009 Measures No. 1) Act 2009 – ‘Alcopops’, Beer and Grape Wine Product

On 13 August 2009 the Senate passed the Customs Tariff Amendment (2009 Measures No. 1) Bill 2009. The legislation will commence the day after this Bill receives Royal Assent. The Act amends the *Customs Tariff Act 1995* (the Customs Tariff) by enacting changes previously included in the following Customs Tariff Proposals:

- No. 1 (2008) – Implemented new duty rates for certain alcoholic beverages (‘alcopops’);
- No. 3 (2009) – Continued in force the new duty rates.

The legislation also changes the definitions for beer and grape wine product and inserts eight new tariff subheadings into Schedule 3 to the Customs Tariff.

The new definitions for beer and wine will exclude products that mimic spirit based pre-mixed drinks, commonly known as ‘alcopops’ or ‘RTD (ready to drink)’ beverages. This will ensure that beer and wine based drinks that mimic ‘alcopops’ are taxed at the same rate as ‘alcopops’.

Due to the change in definitions for beer and grape wine product, two existing tariff subheadings relating to beer will be deleted in Schedule 3 of the Customs Tariff and eight new subheadings will be created. These changes will provide for goods that no longer meet the revised definitions of beer and grape wine product. These goods will also be subject to higher or new excise equivalent duties as well as the *ad valorem* component of customs duty, where applicable.

As drafted, the Bill did not include rates of duty that reflected the August 2009 CPI adjustments. Accordingly, a Customs Notice will be published in the *Commonwealth Gazette* to bring the excise equivalent component of the duty rates into line with that applying to excisable goods.

Corresponding changes have been made to the relevant items and rates in Schedule 5 (US originating goods), Schedule 6 (Thai originating goods), and Schedule 7 (Chilean originating goods).

The changes will take effect on the day after the legislation receives Royal Assent. The commencement day will be advised when known. Notification of the commencement day will be posted on the Customs and Border Protection website and the Integrated Cargo System.

Existing statistical codes or subheadings that have been deleted will not operate on and from the commencement day. The new subheadings and statistical codes must be used on import declarations on and from that day. Tariff Working Pages to reflect these changes will be coded with ‘Operative AAA’.

Equivalent changes will be made in the *Excise Tariff Act 1921* and the *A New Tax System (Wine Equalisation Tax) Regulations 2000* (for grape wine product).

Attached are details of the Tariff changes resulting from the legislative amendments.

Customs Tariff pages to be issued in connection with these changes are:

Customs Tariff Act

Act Page 21 (R.3)

Schedule 3

22/1 (R.6)

22/5 (R.32)

22/13 (R.24)

22/15 (R.22)

22/3 (R.10)

22/7 (R.32)

22/14A (R.0)

Schedule 5

Schedule 6

Schedule 7

5/1 (R.14)

6/1 (R.13)

7/1 (R.2)

5/3 (R.15)

6/3 (R.14)

7/3 (R.2)

For further information about these changes, contact Manager Tariff Legislation on telephone number 02 6275 6542.

(Signed)
Jennifer Reimitz
A/g National Manager
Trade Services Branch
25 August 2009

**TARIFF CHANGES RESULTING FROM THE COMMENCEMENT OF THE
CUSTOMS TARIFF AMENDMENT (2009 MEASURES NO. 1) ACT 2009**

Customs Tariff Act 1995

Changes relating to Beer

New definition of beer

1. Chapter 22 Additional Notes 9 and 10 defining “beer” are repealed and replaced with the following Notes:

9.- For the purposes of 2203.00.6, 2203.00.7, 2206.00.7 and 2206.00.8, “beer” is a brewed beverage that:

- (a) is the product of the yeast fermentation of an aqueous extract, being predominantly an aqueous extract of cereals:
 - (i) whether the cereals are malted or unmalted; and
 - (ii) whether or not the aqueous extract contains other sources of carbohydrates; and
- (b) contains:
 - (i) hops, or extracts of hops, such that the beverage has international bitterness units of not less than 4.0; or
 - (ii) other bitters such that the beverage has a bitterness comparable to that of a beverage mentioned in subparagraph (i); and
- (c) contains not more than 4.0% by weight of sugars; and
- (d) has not had added to it, at any time, artificial sweetener; and
- (e) may have had added to it, at any time, other substances, including flavours, but only if, in the case of substances that contain alcohol (other than spirit distilled from beer), the alcohol did not add more than 0.5% to the total volume of the final beverage; and
- (f) may have had added to it, at any time, spirit distilled from beer, but only if that spirit did not add more than 0.5% to the total volume of the final beverage.

10.- For the purposes of paragraph (c) of Additional Note 9, “sugar” means:

- (a) monosaccharide; or
- (b) disaccharide.

2. Subheadings 2203.00.31 and 2203.00.39 are repealed. Beer previously classified in these subheadings and beer falling outside the revised definition (in Additional Notes 9 and 10 above) will be classified in new subheadings 2203.00.91 and 2203.00.99.

3. New subheadings 2203.00.91 and 2203.00.99 are created, as follows:

Tariff classification number	Statistical code	Unit(s) of quantity	Goods description	Duty rate
2203.00.9			--- Other:	
2203.00.91	17	Litres of alcohol (Calculated on the total alcohol content of the goods) and litres	---- Having an alcoholic strength by volume exceeding 1.15% vol, but not exceeding 10% vol	\$69.57/L of alcohol (All sources)
2203.00.99	18	Litres of alcohol (Calculated on the total alcohol content of the goods) and litres	---- Other	\$69.57/L of alcohol (All sources)

4. Changes are made to the text of subheadings 2203.00.6, 2203.00.7, 2206.00.7 and 2206.00.8 to refer to the revised definition.

Changes relating to Grape Wine Product

New Definition of Grape Wine Product

5. Chapter 22 Additional Note 4 defining “grape wine product” is repealed and replaced with the following Notes:

- 4.- For the purposes of this Chapter, “grape wine product” is a grape wine-based beverage that:
- (a) has not had added to it, at any time, the flavour of any alcoholic beverage (other than wine) (whether the flavour is natural or artificial); and
 - (b) if the beverage has had added to it ethyl alcohol used in preparing vegetable extracts, as mentioned in subparagraph (b)(ii) of Additional Note 4B - complies with the following requirements:
 - (i) the ethyl alcohol must only be used to extract flavours from vegetable matter;
 - (ii) the ethyl alcohol must be essential to the extraction process;
 - (iii) the ethyl alcohol must not add more than one percentage point to the alcoholic strength by volume of the beverage.

4A.- For the purposes of paragraph (a) of Additional Note 4, “wine” means:

- (a) grape wine, as defined in Additional Note 3; or
- (b) cider or perry, as defined in Additional Note 5; or
- (c) fruit or vegetable wine, as defined in Additional Note 6; or
- (d) mead, as defined in Additional Note 7; or
- (e) sake, as defined in Additional Note 8.

4B.- For the purposes of this Chapter, “grape wine-based beverage” is a beverage that:

- (a) is not grape wine, but contains at least 700 ml of grape wine per litre; and
- (b) has not had added to it, at any time, any ethyl alcohol from any other source, except:
 - (i) grape spirit; or
 - (ii) alcohol used in preparing vegetable extracts (including spices, herbs and grasses); and
- (c) has an alcoholic strength by volume of at least 8% vol but not exceeding 22% vol.

- 6. New subheadings 2206.00.13, 2206.00.14, 2206.00.21, 2206.00.22, 2206.00.23 and 2206.00.24 are created.
- 7. Grape wine product previously classified in subheadings 2206.00.30, 2206.00.41 or 2206.00.42 and now falling outside the revised definition of grape wine product (Additional Notes 4, 4A and 4B) will be classified in these new subheadings, as follows:

Tariff classification number	Statistical code	Statistical code and unit(s) of quantity	Goods description	Duty rate
2206.00.1			--- Grape wine-based beverages: (a) that are goods of neither 2205 nor 2206.00.2; and (b) that include a flavour mentioned in paragraph (a) of Additional Note 4 to this Chapter:	
2206.00.13	22	Litres of alcohol (calculated on the total alcohol content of the goods) and litres	---- Having an alcoholic strength by volume not exceeding 10% vol	\$69.57/L of alcohol (All sources)
2206.00.14	23	Litres of alcohol (calculated on the total alcohol content of the goods) and litres	---- Having an alcoholic strength by volume exceeding 10% vol	\$69.57/L of alcohol (All sources)

Tariff classification number	Statistical code	Unit(s) of quantity	Goods description	Duty rate
2206.00.2			<p>--- Grape wine-based beverages:</p> <p>(a) that are not goods of 2205; and</p> <p>(b) to which subparagraph (b)(ii) of Additional Note 4B to this Chapter applies; and</p> <p>(c) that do not comply with the requirements set out in paragraph (b) of Additional Note 4 to this Chapter:</p>	
2206.00.21	25	Litres of alcohol (calculated on the total alcohol content of the goods) and litres	---- Containing goods which, if imported separately, would be classified in 2207, having an alcoholic strength by volume not exceeding 10% vol	5%, and \$69.57/L of alcohol DCS:4%, and \$69.57/L of alcohol DCT:5%, and \$69.57/L of alcohol NZ/PG/FI/DC/LDC/SG: \$69.57/L of alcohol
2206.00.22	26	Litres of alcohol (calculated on the total alcohol content of the goods) and litres	---- Containing goods which, if imported separately, would be classified in 2207, having an alcoholic strength by volume exceeding 10% vol	5%, and \$69.57/L of alcohol DCS:4%, and \$69.57/L of alcohol DCT:5%, and \$69.57/L of alcohol NZ/PG/FI/DC/LDC/SG: \$69.57/L of alcohol

Tariff classification number	Statistical code	Unit(s) of quantity	Goods description	Duty rate
2206.00.23	27	Litres of alcohol (calculated on the total alcohol content of the goods) and litres	---- Containing goods which, if imported separately, would be classified in 2208, having an alcoholic strength by volume not exceeding 10% vol	5%, and \$69.57/L of alcohol DCS:3%, and \$69.57/L of alcohol NZ/PG/FI/DC/LDC/SG: \$69.57/L of alcohol
2206.00.24	28	Litres of alcohol (calculated on the total alcohol content of the goods) and litres	---- Containing goods which, if imported separately, would be classified in 2208, having an alcoholic strength by volume exceeding 10% vol	5%, and \$69.57/L of alcohol DCS:3%, and \$69.57/L of alcohol NZ/PG/FI/DC/LDC/SG:\$69.57/L of alcohol

8. For tariff subheadings 2206.00.30, 2206.00.41 and 2206.00.42, the text of the subheadings is unchanged but new statistical codes apply, as follows:

Tariff Classification number	Statistical code	Unit(s) of quantity	Goods description	Duty rate
2206.00.30	24	litres	No change	
2206.00.4			No change	
2206.00.41	29	Litres of alcohol (calculated on the total alcohol content of the goods) and litres	No change	
2206.00.42	30	Litres of alcohol (calculated on the total alcohol content of the goods) and litres	No change	

Other matters

9. The changes will take effect on the day after the legislation receives the Royal Assent. The commencement day is expected to be Friday 28 August 2009 but this will be confirmed when known.
10. Existing statistical codes or subheadings that have been deleted will not operate on and from the commencement day. The new subheadings and statistical codes must be used on import declarations on and from that day.
11. Tariff Working Pages to reflect these changes will be coded with operative AAA and will be distributed in the week commencing 31 August 2009.
12. Changes have also been made to the Table in Section 19 of the Customs Tariff to enable automatic twice yearly adjustment of duty rates in line with movements of the Consumer Price Index.
13. The rates in this document reflect the August 2009 CPI rates.
14. Where new subheadings have been created, the *ad valorem* component of the customs duty has been preserved. However, goods that no longer meet the revised definitions of beer and grape wine product will be re-classified and subject to higher or new excise equivalent duties.
15. Corresponding changes have been made to the relevant items in Schedule 5 (US originating goods), Schedule 6 (Thai originating goods), and Schedule 7 (Chilean originating goods).
16. Equivalent changes are being made in the *Excise Tariff Act 1921*.