

Guidelines for Use of Tradex Order in Relation to the Importation of Oak Wine Barrels, Staves, Chips or Powder (effective from 1 July 2024)

- 1. An importer may apply for a Tradex Order, and continue to hold that Order, providing the importer supplies at least one imported barrel or quantity of staves, chips or powder to at least one wine maker who has a history of exporting wine oaked from imported barrels, staves, chips or powder or genuinely intends to produce oaked wine that will be exported from imported barrels (or staves/chips/powder) in any twelve month period commencing 1 July each year. If the importer is a wine maker and utilises the barrel, staves, chips or powder themselves, there must similarly be a history of exporting oaked wine or there must be a genuine intention to produce oaked wine that will be exported from imported barrels, staves, chips, or powder in any twelve-month period commencing 1 July each year. This will be known as the "Intent to Export Test".
- 2. In each financial year commencing 1 July, the Department of Industry, Science and Resources (the department) will declare a maximum percentage "Tradex Import Factor" (TIF) that can be used to clear goods using a Tradex Order on a Customs Import Declaration for the ensuing year. The TIF is the percentage of Tradex imports to total imports (of oak wine barrels, oak staves, oak chips, or oak powder) in the shipment and will be based on a conservative estimate of the quantity of oaked wine exported in the most recent financial year for which data is available. As there are no actual figures available to determine exactly how much oaked wine is exported each year, this factor is determined by the department from relevant information obtained from Wine Australia.
- 3. As this is an industry wide arrangement, an importer using a Tradex Order should <u>not</u> use a higher factor than the prescribed Tradex Import Factor, even if evidence is available to substantiate the fact that their imported barrels/staves/chips/powder will be used to produce a higher percentage of exported oaked wine. Importers who wish to claim a higher percentage <u>must</u> pay Customs Duty up front and then use the Customs Duty Drawback arrangements. Where a Tradex Order is used, Tradex duty will be payable in relation to any percentage higher than the prescribed percentage, where the goods have been entered using a Tradex order.
- 4. The department agrees that, where the prescribed percentage (TIF of **65**% for the financial year 2024-25) is used correctly on a Customs Import Declaration after 1 July 2024, no further substantiation will be required for Tradex purposes, other than normal import evidence that may be required for Australian Border Force purposes and evidence that at least one barrel or quantity of staves is supplied to one wine maker who is, or is genuinely intending to, produce wine oaked from imported oak barrels, oak staves, oak chips or oak powder that is subsequently exported.
- 5. As oaked wine produced from imported barrels/staves/chips/powder will normally be exported at least twelve months after the barrels/staves/chips/powder is imported, an extension of time to export must be obtained from the department under section 43 of the *Tradex Scheme Act* 1999. In view of the nature of the goods, the department will grant a blanket extension for the life of the Tradex Order.