Excise Tariff Amendment Bill (No. 2) 1988

Date Introduced: 1 September 1988
House: House of Representatives
Presented by: Hon. Barry Jones, M.P., Minister for Science and Small Business

Digest of Bill

Purpose
To remove the exemption from excise duty of certain Government Business and the excise duty payable on aviation kerosene. The Bill will also alter the rate of excise duty payable on naturally occurring liquefied petroleum gas.

Background
Changes to excise tariffs are made through either the introduction of amending legislation or excise tariff proposals which are subsequently introduced in legislation. The latter course allows greater flexibility in that changes can be introduced when necessary without the delay associated with preparing and passing legislation. For information on the matters effected by this Bill, see below.

Main Provisions
Clause 3 will increase the excise rate on liquefied petroleum gas (LPG) from $13.21 per kilolitre to $15.39 per kilolitre. The increase is in line with the government's method of calculating excise duty for LPG on the basis of 60% of the excess of the weighted average of domestic and export prices over $147 per tonne during the immediately preceding 6 month period. The excise only applies to the Bass Strait fields and is not payable on refinery produced LPG. The amendment will have effect from 1 April 1988 (clause 2).

Clause 4 will remove the excise duty on aviation kerosene (AVTUR). The AVTUR fuel excise duty is being replaced by direct enroute charges levied by the Civil Aviation Authority (CAA) for AVTUR fuelled aircraft. This action gives partial effect to the funding component of the government's decision to transfer responsibility for airways enroute facilities and services (e.g. flight advisory services and communications services) to the CAA. The CAA will assume responsibility for recovery of the cost of such services directly from the users. The amendment will have effect from 1 July 1988 (clause 2).
Clause 5 will remove the exemption from excise duty of Government Business Enterprises (e.g. Telecom and Australia Post) so that only Departments and Authorities which are prescribed by By-laws will be exempt. Commonwealth Government Enterprises like non-government commercial enterprises will become liable for excise duty on domestically produced excisable goods which they use. The amendment gives partial effect to the Government's program to restructure Government Business Enterprises announced as part of the May 1988 Economic Statement. The amendment will have effect from 1 July 1989 (clause 2).

References
1. Refer to the Digest for the Civil Aviation Bill 1988.

For further information, if required, contact the Economics and Commerce Group.

24 October 1988

Bills Digest Service
Legislative Research Service

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

© Commonwealth of Australia 1988

Except to the extent of the uses permitted under the Copyright Act 1968, no part of this publication may be reproduced or transmitted in any form or by any means, including information storage and retrieval system, without the prior written consent of the Department of the Parliamentary Library. Reproduction is permitted by Members of the Parliament of the Commonwealth in the course of their official duties.