EXCISE TARIFF AMENDMENT BILL 1985

Date Introduced: 23 April 1985
House: House of Representatives
Presented by: Hon. Peter Morris, M.P., Minister for Transport

Short Digest of Bill

Purpose

To introduce a new intermediate rate of excise for oil produced from certain fields and to adjust excise on naturally occurring liquified petroleum gas.

Background

There are currently two rates of excise on oil produced in Australia. A higher rate of excise applies to oil produced from 'old' fields (i.e. those discovered prior to 18 September 1975), while a much lower rate applies for oil from 'new' fields (i.e. those discovered on or after 18 September 1975).

The Minister for Resources and Energy announced the new intermediate rate on 23 October 1984. The new rate is to apply to oil from fields discovered prior to 18 September 1975 but which had not been developed by 23 October 1984. The new arrangements were aimed at the situations where known oil reserves were not being exploited as there were insufficient returns after the 'old' rate of excise had been paid.

The amount of excise payable on naturally occurring liquified petroleum gas (LPG(N)) is calculated by reference to its wholesale price. Twice yearly adjustments in the wholesale price of LPG(N) were introduced in 1984.

Main Provisions

A detailed explanation of the clauses of the Bill is contained in the Explanatory Memorandum.

Clause 4 amends the interpretation section (section 3) of the Excise Tariff Act 1921 (the Principal Act) to include definitions of intermediate areas and oil. Intermediate status will be given to oil produced from areas that have been declared by the Minister and were discovered...
prior to 18 September 1975 and not developed as at 23 October 1984.

Clause 8 contains the mechanism for calculating the new intermediate rate of excise. As with current excises the intermediate rate of excise will vary with the quantity of oil produced, and the intermediate rate will be between the current rates for oil and new oil.

Clauses 9 and 10 adjust the excise payable on LPG(N) in line with wholesale price adjustments.

For further information, if required, contact:

Economics and Commerce Group
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LEGISLATIVE RESEARCH SERVICE

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