Date Introduced: 9 November 1983
House: House of Representatives
Presented by: Hon. J. Brown, Minister Assisting the Minister for Industry and Commerce

Short Digest of Bill

Purpose

To amend administrative provisions relating to the diesel fuel rebate scheme and make other changes to the Customs Act 1901 and Excise Act 1901.

Background

The diesel fuel rebate scheme was introduced in the 1982/83 Budget on 17 August 1982. Prior to this, diesel for off-road use in certain industries was exempt from excise. Replacement of the exemption with a rebate scheme was expected to discourage use of excise-exempt diesel in applications where other fuels would be more appropriate and prevent abuse of the scheme. The net increase in revenue at an excise rate of 5.155 cents per litre was expected to be $161 million in 1982-83 and $176 million in a full year[1].

The excise rate applicable to diesel was raised from 5.155 cents to 6.155 cents per litre with effect from 17 August 1982, enacted by the Excise Tariff Amendment Act 1983 [see Bills Digest].

Prior to 17 August 1982, diesel was taxed under specific legislation. From that date, the rate was prescribed under the Customs Act 1901 and Excise Act 1901. The rebate scheme was also introduced by provisions in the two Acts. The rate of rebate was specified to be precisely equal to the duty [Customs Act sub-section 164(6); Excise Act sub-section 78A(5), see Digest for Diesel Fuel Taxes Legislation Amendment Bill 1982].

The rate of excise was further increased to 7.155 cents per litre with effect from 1 July 1983. Under the terms of the legislation, the rebate increased accordingly.
The proposal announced in the Budget is to increase the rate of excise by 1.5 cents per litre, with the rate of rebate remaining at its present level [3]. The necessary charges to the excise tariff and corresponding changes to the customs tariff are to be authorised by the Excise Tariff Amendment Bill (No.2) 1983 and Customs Tariff Amendment Bill (No.2) 1983 [see Digest]. The alteration in provisions for rebate entitlement in the Excise Act 1901 and Customs Act 1901 are achieved by this Bill.

Main Provisions

The relevant sections for rebate are section 78A of the Excise Act 1901 and section 164 of the Customs Act 1901. Both Acts presently specify as the rebate the amount of duty & would be amended to permit the rate of rebate to be prescribed by regulation (clauses 9 and 6 respectively). The amendments are deemed to apply from 8 p.m. on 23 August 1983.

Clause 4 amends the Customs Act 1901 to permit regulations to prescribe additional grounds for not issuing a depot licence, pursuant to a new system for licensing depots into which imported cargo or cargo destined for export is received, set out in the Customs and Excise Amendment Act 1982.

Additional amendments to the Excise Act 1901 apply section 78 of the Act to diesel fuel rebates, to authorize refund or offset of rebates payable. Part VIIC, relating to rebates for stabilized crude petroleum oil, is repealed consequent upon the Excise Tariff Amendment Bill (No.2) 1983. Changes in clauses 11 and 12 align the Excise Act with the Customs Act in respect of retrospectivity of tariff changes published in the Gazette and ensure that Departmental By-laws and determinations are not statutory rules for purposes of publication.

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

References