DISTILLATION AMENDMENT BILL 1980

Date Introduced: 28 February 1980
House: House of Representatives
Presented by: The Hon. R.V. Garland, M.P.,
Minister for Business and Consumer Affairs

Short Digest of Bill

Purpose

The main purpose is to introduce a new class of distilling licence, to be known as an "experimenters' licence", with a view to diversifying Australia's liquid fuel sources.

Background

Ethanol is a form of alcohol, capable of being produced from a range of plants through the process of fermentation. It can be used directly as a fuel, for example in turbines or mixed with petrol for use in the standard form of internal combustion engine. The most significant development of ethanol as a fuel has occurred in Brazil where a national program of conversion has been undertaken to permit the use of ethanol, both as a blend with and substitute for petrol in motor vehicles. The use of ethanol as a fuel in Australia has so far been on a minor scale only, with blends of up to 15 per cent ethanol having been used in the past in some areas of Queensland.

The introduction, through the Bill, of experimenters' licences will authorize the distillation of spirits from any material for the purposes of research into the production of ethanol for use as a fuel for internal combustion engines. It is hoped that this will enhance the prospect of commercial production of ethanol and encourage the use of this fuel by farmers on a small scale. To this extent, it is possible that ethanol could make a contribution to satisfying Australia's liquid fuel needs.

The granting of experimenters' licences will facilitate an assessment of the technical environmental and administrative problems involved in small scale ethanol production and provide a basis for effective means of control to be devised.
Main Provisions

Clause 3 inserts definitions of "experimenters" and "fuel ethanol". It also provides that excise duty shall be taken to be imposed on spirit notwithstanding that the word 'Free' is specified as the rate of duty chargeable. This provision will ensure that customs control and inspection powers can be exercised in respect of spirits levied for excise duty at the 'Free' rate. At present, Customs control can be exercised only in respect of excisable goods which are defined to mean "goods in respect of which excise duty is imposed by the Parliament".

Clause 4 amends section 13 of the Principal Act (Distillation Act 1901) to insert a class of licence to be known as "experimenters' licences" to authorize the distillation of spirits from any material for the purpose of research into the production or use of fuel ethanol.

Clause 5 inserts a new sub-section 29(2) which specifies that Regulations shall prescribe the number of experimenters' licences that may be in force at any one time. This is to ensure that production of fuel ethanol occurs on a small scale controlled basis and that related research and development projects are facilitated.

Clause 6 sets out the criteria for the cancellation of an experimenter's licence.

Clause 8 amends Schedule 1 to provide that the fee for an experimenter's licence is to be $10.

Finance, Industries, Trade & Development Group

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LEGISLATIVE RESEARCH SERVICE