Short Digest of Bill

To amend the Excise Tariff Act 1921 to formally enact Excise Tariff Proposals Nos. 5, 6 and 7 (1979) which were validated by the Excise Tariff Validation Act 1979.

Background

Under section 114 of the Excise Act 1901, the collection of duties at the new rates set out in the Excise Tariff Proposals is protected against legal challenge for six months, or until the close of the session of Parliament, whichever first occurs. If the Government does not have time to prepare and pass the legislation to amend the Excise Tariff Act before this period expires, it may temporarily cover itself by having an Excise Tariff Validation Bill passed. This is a machinery measure which takes over from section 114 pending the formal amendment of the Excise Tariff Act.

The Excise Tariff Validation Act 1979 validated the new duties contained in Excise Tariff Proposals 5, 6 and 7 (1979) up to 30 June 1980. This Bill formally enacts these new duties. The new duties were:

(1) The increased excise duty on stabilised crude petroleum oil (the 'crude oil levy') from $70.98 to $102.27 per kilolitre which applied from 1 July 1979. This increase was in accordance with the Governments import parity pricing policy for Australian produced crude oil.

Following further OPEC oil price rises in December 1979 the duty has again been increased under Excise Tariff Proposal No. 1 (1980), to $140.11 per kilolitre as from 1 January 1980. It is expected that legislation formally enacting this further alteration will be introduced into the House shortly.

(2) The removal altogether of excise duties on saccharin and cyclamates as from 22 August 1979. This move,
together with complementary Custom Tariff Proposals introduced at the same time, implemented recommendations of the Industries Assistance Commission in its Report No. 212 of 4 May 1979 on Chemical Products (Part A).

(3) The reduction in the excise duty on Grape Brandies from $18.75 to $16 per litre of alcohol with effect from 9 November 1979, and also the elimination of the duty differential between flavoured and non-flavoured spirituous liquors. The former alteration was made after the Government considered the Industries Assistance Commission's Report No. 215, 8 June 1979 on Spirits, Spirituous Beverages, Etc.

Main Provisions

The Schedule to the Principal Act is amended as follows:

1. to increase the duty payable on stabilised crude petroleum oil, retrospectively from 1 July 1979 (clauses 2 and 3).

2. to remove the duty on saccharins and cyclamates with effect from 22 August 1979 (clause 4).

3. to reduce the duty on grape brandies and to eliminate the duty differential between flavoured and non-flavoured spirituous liquors with effect from 9 November 1979 (clause 5).