

EXPOSURE DRAFT

2010-2011

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

EXPOSURE DRAFT

Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011

No. , 2011

(Treasury)

**A Bill for an Act to amend the law relating to excise
on certain fuels, and for related purposes**

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EXPOSURE DRAFT

1 **A Bill for an Act to amend the law relating to excise**
2 **on certain fuels, and for related purposes**

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act may be cited as the *Excise Tariff Amendment (Taxation of*
6 *Alternative Fuels) Act 2011*.

7 **2 Commencement**

8 (1) Each provision of this Act specified in column 1 of the table
9 commences, or is taken to have commenced, in accordance with
10 column 2 of the table. Any other statement in column 2 has effect
11 according to its terms.
12

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Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedule 1, Part 1	1 December 2011. However, the provision(s) do not commence at all if any of the following do not commence on 1 December 2011: (a) Part 2 of the <i>Ethanol Production Grants Act 2011</i> ; (b) Part 1 of Schedule 1 to the <i>Customs Tariff Amendment (Taxation of Alternative Fuels) Act 2011</i> ; (c) Schedules 2 and 3 to the <i>Taxation of Alternative Fuels Legislation Amendment Act 2011</i> .	
3. Schedule 1, Part 2	1 July 2012. However, the provision(s) do not commence at all if the provision(s) covered by item 2 of this table do not commence at all.	
4. Schedule 1, Part 3	1 July 2013. However, the provision(s) do not commence at all if the provision(s) covered by item 2 of this table do not commence at all.	
5. Schedule 1, Part 4	1 July 2014. However, the provision(s) do not commence at all if the provision(s) covered by item 2 of this table do not commence at all.	
6. Schedule 1, Part 5	1 July 2015. However, the provision(s) do not commence at all if the provision(s) covered by item 2 of this table do not commence at all.	
7. Schedule 1, Part 6	The day this Act receives the Royal Assent.	

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Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

(2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

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2TSchedule 12T Amendment of the Excise Tariff Act 1921

0TPart 10T Amendments to commence on 1 December 2011

1
2 **Schedule 1—Amendment of the Excise Tariff**
3 **Act 1921**

4 **Part 1—Amendments to commence on 1 December**
5 **2011**

6 **1 Subsection 3(1)**

7 Insert:

8 *liquefied petroleum gas* means:

- 9 (a) liquid propane; or
10 (b) a liquid mixture of propane and butane; or
11 (c) a liquid mixture of propane and other hydrocarbons that
12 consists mainly of propane; or
13 (d) a liquid mixture of propane, butane and other hydrocarbons
14 that consists mainly of propane and butane.

15 **2 Section 6G**

16 Repeal the section, substitute:

17 **6G Duty payable on blended goods**

- 18 (1) Work out the duty payable under this Act on goods (the *blended*
19 *goods*) that are classified to subitem 10.7, 10.11, 10.12 or 10.30 of
20 the Schedule as follows:

21 *Method statement*

22 Step 1. Add up the amount of duty that would be payable on each
23 constituent of the blended goods, that is classified to
24 item 10 of the Schedule, if the constituent had not been
25 included in the blended goods.

26 Step 2. Work out the volume, in litres, of the blended goods that
27 is not attributable to those constituents or to water added
28 to manufacture the blended goods.

29 Step 3. Multiply the result of step 2 by \$0.38143.

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Amendment of the Excise Tariff Act 1921 **2T**Schedule 12T
Amendments to commence on 1 December 2011 **0T**Part 10T

1 Step 4. Total the results of steps 1 and 3.

2 Step 5. Subtract from the total any duty paid on a constituent of
3 the blended goods that is classified to item 10 or 15 of the
4 Schedule.

5 (2) If a constituent of the blended goods was imported, assume for the
6 purposes of subsection (1) that:

7 (a) the constituent was manufactured in Australia when it was
8 imported; and

9 (b) if customs duty was paid on the constituent, there was a
10 payment of excise duty equal to the lesser of the following
11 amounts (or either of them if they are equal):

12 (i) the amount of excise duty that would have been payable
13 on the constituent had it been manufactured in Australia
14 when it was imported;

15 (ii) the amount of the customs duty paid.

16 **3 Schedule (at the end of paragraph (d) of the cell at table**
17 **item 10, column headed “Description of goods”)**

18 Add “(including, for example, liquefied petroleum gas and liquefied
19 natural gas)”.

20 **4 Schedule (after paragraph (d) of the cell at table item 10,**
21 **column headed “Description of goods”)**

22 Insert:

23 (da) compressed natural gas;

24 (db) methanol;

25 **5 Schedule (paragraph (i) of the cell at table item 10, column**
26 **headed “Description of goods”)**

27 Omit “, liquefied petroleum gas”.

28 **6 Schedule (table subitems 10.20 and 10.21)**

29 Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas	\$0.025 per litre
10.19B	Liquefied natural gas	\$0.025 per litre
10.19C	Compressed natural gas, other than	\$0.038 per cubic metre

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2TSchedule 12T Amendment of the Excise Tariff Act 1921

0TPart 10T Amendments to commence on 1 December 2011

	compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	
10.19D	Methanol	\$0.017 per litre
10.20	Denatured ethanol for use as fuel in an internal combustion engine	\$0.25 per litre
10.21	Biodiesel	\$0.038 per litre

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Amendment of the Excise Tariff Act 1921 **2TSchedule 12T**
Amendments to commence on 1 July 2012 **0TPart 20T**

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Part 2—Amendments to commence on 1 July 2012

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7 Schedule (table subitems 10.19A, 10.19B, 10.19C, 10.19D, 10.20 and 10.21)

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Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas	\$0.05 per litre
10.19B	Liquefied natural gas	\$0.05 per litre
10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.076 per cubic metre
10.19D	Methanol	\$0.034 per litre
10.20	Denatured ethanol for use as fuel in an internal combustion engine	\$0.219 per litre
10.21	Biodiesel	\$0.076 per litre

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2TSchedule 12T Amendment of the Excise Tariff Act 1921

0TPart 30T Amendments to commence on 1 July 2013

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Part 3—Amendments to commence on 1 July 2013

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8 Schedule (table subitems 10.19A, 10.19B, 10.19C, 10.19D, 10.20 and 10.21)

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Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas	\$0.075 per litre
10.19B	Liquefied natural gas	\$0.075 per litre
10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.114 per cubic metre
10.19D	Methanol	\$0.051 per litre
10.20	Denatured ethanol for use as fuel in an internal combustion engine	\$0.188 per litre
10.21	Biodiesel	\$0.114 per litre

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Amendment of the Excise Tariff Act 1921 **2TSchedule 12T**
Amendments to commence on 1 July 2014 **0TPart 40T**

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Part 4—Amendments to commence on 1 July 2014

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9 Schedule (table subitems 10.19A, 10.19B, 10.19C, 10.19D, 10.20 and 10.21)

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Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas	\$0.10 per litre
10.19B	Liquefied natural gas	\$0.10 per litre
10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.153 per cubic metre
10.19D	Methanol	\$0.068 per litre
10.20	Denatured ethanol for use as fuel in an internal combustion engine	\$0.156 per litre
10.21	Biodiesel	\$0.153 per litre

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2TSchedule 12T Amendment of the Excise Tariff Act 1921

0TPart 50T Amendments to commence on 1 July 2015

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Part 5—Amendments to commence on 1 July 2015

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10 Schedule (table subitems 10.19A, 10.19B, 10.19C, 10.19D, 10.20 and 10.21)

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Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas	\$0.125 per litre
10.19B	Liquefied natural gas	\$0.125 per litre
10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.191 per cubic metre
10.19D	Methanol	\$0.085 per litre
10.20	Denatured ethanol for use as fuel in an internal combustion engine	\$0.125 per litre
10.21	Biodiesel	\$0.191 per litre

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Amendment of the Excise Tariff Act 1921 **2TSchedule 12T**
Application of amendments **0TPart 60T**

1

2 **Part 6—Application of amendments**

3 **11 Application of amendments**

- 4 (1) The amendments of the Schedule to the *Excise Tariff Act 1921* made by
5 a Part of this Schedule apply to goods manufactured or produced in
6 Australia on or after the day that Part commenced and goods for which
7 all the following conditions are met:
- 8 (a) the goods were manufactured or produced in Australia before
9 that day;
 - 10 (b) on that day, the goods either:
 - 11 (i) were subject to the CEO's control; or
 - 12 (ii) were in the stock, custody or possession of, or belonged
13 to, a manufacturer or producer of the goods; and
 - 14 (c) no duty of excise had been paid on the goods before that day.
- 15 (2) This item has effect despite subsection 5(2) of the *Excise Tariff Act*
16 *1921*.