



Excise Tariff Amendment Act (No. 2) 1997

No. 78, 1997

**An Act to amend the *Excise Tariff Act 1921*, and for
related purposes**

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No. 78, 1997

An Act to amend the *Excise Tariff Act 1921*, and for related purposes

[Assented to 18 June 1997]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Excise Tariff Amendment Act (No. 2) 1997*.

2 Commencement

- (1) Subject to subsections (2) and (3), sections 1, 2 and 3 and items 1, 2, 3, 4, 19, 63, 66 and 67 of Schedule 1 commence on the day on which this Act receives the Royal Assent.

(2) Items 64 and 65 of Schedule 1 are taken to have commenced on 1 September 1996.

(3) The other items of Schedule 1 commence on 1 July 1997.

3 Schedule(s)

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendment of the Excise Tariff Act 1921

1 Subsection 3(1) (definition of *delayed-entry LP*)

Repeal the definition.

2 Subsection 3(1) (definition of *delayed-entry LPG*)

Repeal the definition.

3 Subsection 3(1) (definition of *delayed-entry LPG rate*)

Repeal the definition.

4 Subsection 3(1) (definition of *delayed-entry LP rate*)

Repeal the definition.

5 Subsection 6AB(1)

Omit “31 December 1987”, substitute “30 June 1997”.

6 Paragraphs 6AB(1)(b) and (c)

Repeal the paragraphs, substitute:

or (b) if at that time the final VOLWARE price has not been so determined—the interim VOLWARE price determined under that section for the month and an oil producing region that constitutes or includes that production area.

7 Subsection 6AB(2)

Repeal the subsection.

8 Paragraph 6AC(a)

Omit “, an interim VOLWARE price or a reference price”, substitute “or an interim VOLWARE price”.

9 Subsection 6B(1) (definition of *added duty*)

Repeal the definition.

10 Subsection 6B(1) (definition of *added percentage*)

Repeal the definition.

11 Subsection 6B(1) (definition of *adjusted previous year's duty*)

Omit “the division” (first occurring), substitute “that month”.

12 Subsection 6B(1) (definition of *adjusted previous year's duty*)

Omit “the division” (second occurring), substitute “that first-mentioned month”.

13 Subsection 6B(1) (definition of *credited adjustment amount*)

Repeal the definition.

14 Subsection 6B(1) (definition of *debited adjustment amount*)

Repeal the definition.

15 Subsection 6B(1) (definition of *maximum added percentage*)

Repeal the definition.

16 Subsection 6B(1) (definition of *non-adjusted previous year's duty*)

Omit “the division” (first occurring), substitute “that month”.

17 Subsection 6B(1) (definition of *non-adjusted previous year's duty*)

Omit “the division” (second occurring), substitute “that first-mentioned month”.

18 Subsection 6B(1) (definition of *prescribed division*)

Repeal the definition.

19 Subsection 6B(1A)

Repeal the subsection.

20 Subsections 6B(3), (3A), (3B), (3C) and (3D)

Repeal the subsections, substitute:

The amount of duty

- (3) Subject to subsection (3A), the amount of duty in respect of relevant oil produced from a prescribed production area and entered for home consumption during a month of a financial year commencing on or after 1 July 1997 is the amount worked out using the formula:

$$\text{Notional duty} + \text{Added duty} + \text{Debited adjustment amount} - \left[\text{Duty paid} + \text{Credited adjustment amount} \right]$$

where:

notional duty is the amount of notional duty in respect of relevant oil produced from that area and entered for home consumption during the period starting at the start of that financial year and ending at the end of that month, worked out in accordance with subsection (4).

added duty is the sum of the added duty (if any) for that area for:

- (a) that month; and
- (b) each month of that year before that month;

worked out for each of those months in accordance with subsections (5A), (5AB) and (5AC).

debited adjustment amount is the debited adjustment amount (if any) for that area and that month, worked out in accordance with subsection (5B).

duty paid is the amount of duty (if any) paid in respect of relevant oil produced from that area and entered for home consumption during the period starting at the start of that financial year and ending at the end of that month.

credited adjustment amount is the credited adjustment amount (if any) for that area and that month, worked out in accordance with subsection (5C).

Disregarding certain amounts when working out amount of duty

- (3A) In working out, for the purposes of subsection (3), the amount of duty paid in respect of relevant oil produced from a prescribed

production area and entered for home consumption during a period starting at the start of a financial year and ending at the end of a month of that year, the following amounts are to be disregarded:

- (a) any increases in the amount of duty paid as a result of the addition of debited adjustment amounts for that area for any of the preceding months of that year;
- (b) any decreases in that amount as a result of the subtraction of credited adjustment amounts for that area for any of those months.

21 Subsection 6B(5)

After “relevant percentage”, insert “(set out in subsection (7))”.

22 Subsection 6B(5A)

Repeal the subsection, substitute:

Added duty

(5A) Subject to subsection (9A), if:

- (a) the applicable petroleum price for a month of a financial year and a prescribed production area exceeds the threshold price at the start of the month; and
- (b) the quantity of relevant oil produced from that prescribed production area and entered for home consumption during the month exceeds the threshold quantity for that month;

there is added duty for that area for the month (whether in that financial year or in the following financial year) that immediately follows that first-mentioned month.

The amount of added duty

(5AB) The amount of added duty referred to in subsection (5A) is an amount equal to the added percentage, for the month, of the product of:

- (a) that applicable petroleum price; and
- (b) the number of kilolitres in the excess referred to in paragraph (5A)(b);

worked out to the nearest cent.

The added percentage

(5AC) The added percentage referred to in subsection (5AB) is the lesser of:

- (a) 5%; or
- (b) the percentage worked out using the formula:

$$\frac{15 \times (\text{Price} - \text{Threshold price})}{\text{Price}}$$

where:

price is the number of dollars in the price that, at the start of the month, is the applicable petroleum price for that month.

threshold price is the number of dollars in the threshold price at the start of the month.

23 Subsection 6B(5B)

Omit “that division” (wherever occurring), substitute “that first-mentioned month”.

24 Subsection 6B(5C)

Omit “that division” (wherever occurring), substitute “that first-mentioned month”.

25 Subsection 6B(6)

After “relevant percentage”, insert “(set out in subsection (7))”.

26 Subsection 6B(9)

Omit “relevant division” (wherever occurring), substitute “relevant month”.

27 Subsection 6B(9A)

Repeal the subsection, substitute:

Added duty—dealing with the first year of production

- (9A) If no relevant oil produced from a prescribed production area was ever entered for home consumption before the start of a month (the **relevant month**), then, when working out the added duty (if any)

for that area for the month that immediately follows the relevant month, subsection (5A) has effect in relation to the relevant oil produced from that area and entered for home consumption during the latter month as if the reference to the threshold quantity for the relevant month were a reference to the product of that threshold quantity and the factor worked out using the formula:

$$\frac{\text{Days remaining in the relevant month}}{\text{Days in the relevant month}}$$

where:

days remaining in the relevant month is the number of days in the period starting on the day on which relevant oil produced from the prescribed production area was first entered for home consumption and ending at the end of the relevant month.

days in the relevant month is the number of days in the relevant month.

28 Section 6B

Omit “prescribed division” (wherever occurring), substitute “month”.

29 Section 6B (other than the definitions of *adjusted previous year’s duty* and *non-adjusted previous year’s duty* in subsection (1) and other than subsection(9A))

Omit “the division” (wherever occurring), substitute “that month”.

30 Section 6B (other than subsections (5B) and (5C))

Omit “that division” (wherever occurring), substitute “that month”.

Note 1: The following heading to subsection 6B(1) is inserted “*Definitions*”.

Note 2: The following heading to subsection 6B(2) is inserted “*Introduction*”.

Note 3: The following heading to subsection 6B(4) is inserted “*The total amount of notional duty*”.

Note 4: The following heading to subsection 6B(5) is inserted “*The amount of notional duty for a quantity of oil—one petroleum price*”.

Note 5: The following heading to subsection 6B(5B) is inserted “*The debited adjustment amount*”.

Note 6: The following heading to subsection 6B(5C) is inserted “*The credited adjustment amount*”.

Note 7: The following heading to subsection 6B(6) is inserted “*The amount of notional duty for a quantity of oil—more than one petroleum price*”.

Note 8: The following heading to subsection 6B(7) is inserted “*Relevant percentage for a quantity of oil*”.

Note 9: The following heading to subsection 6B(8) is inserted “*Rounding the number of kilolitres in a quantity of oil*”.

Note 10: The following heading to subsection 6B(9) is inserted “*The amount of notional duty—dealing with the first year of production*”.

Note 11: The following heading to subsection 6B(10) is inserted “*Interpretation of the Schedule*”.

31 Subsection 6C(1) (definition of *adjusted previous year's duty*)

Omit “the division” (first occurring), substitute “that month”.

32 Subsection 6C(1) (definition of *adjusted previous year's duty*)

Omit “the division” (second occurring), substitute “that first-mentioned month”.

33 Subsection 6C(1) (definition of *credited adjustment amount*)

Repeal the definition.

34 Subsection 6C(1) (definition of *debited adjustment amount*)

Repeal the definition.

35 Subsection 6C(1) (definition of *non-adjusted previous year's duty*)

Omit “the division” (first occurring), substitute “that month”.

36 Subsection 6C(1) (definition of *non-adjusted previous year's duty*)

Omit “the division” (second occurring), substitute “that first-mentioned month”.

37 Subsection 6C(1) (definition of *prescribed division*)

Repeal the definition.

38 Subsections 6C(3), (3A) and (3B)

Repeal the subsections, substitute:

The amount of duty

- (3) Subject to subsection (3A), the amount of duty in respect of new oil produced from a prescribed new production area and entered for home consumption during a month of a financial year commencing on or after 1 July 1997 is the amount worked out using the formula:

$$\text{Notional duty} + \text{Debited adjustment amount} - \left[\text{Duty paid} + \text{Credited adjustment amount} \right]$$

where:

notional duty is the amount of notional duty in respect of new oil produced from that area and entered for home consumption during the period starting at the start of that financial year and ending at the end of that month, worked out in accordance with subsection (4).

debited adjustment amount is the debited adjustment amount (if any) for that area and that month, worked out in accordance with subsection (5A).

duty paid is the amount of duty (if any) paid in respect of new oil produced from that area and entered for home consumption during the period starting at the start of that financial year and ending at the end of that month.

credited adjustment amount is the credited adjustment amount (if any) for that area and that month, worked out in accordance with subsection (5B).

Disregarding certain amounts when working out amount of duty

- (3A) In working out, for the purposes of subsection (3), the amount of duty paid in respect of new oil produced from a prescribed new production area and entered for home consumption during a period starting at the start of a financial year and ending at the end of a month of that year, the following amounts are to be disregarded:

- (a) any increases in the amount of duty paid as a result of the addition of debited adjustment amounts for that area for any of the preceding months of that year;
- (b) any decreases in that amount as a result of the subtraction of credited adjustment amounts for that area for any of those months.

39 Subsection 6C(5)

After “relevant percentage”, insert “(set out in subsection (7))”.

40 Subsection 6C(5A)

Omit “that division” (wherever occurring), substitute “that first-mentioned month”.

41 Subsection 6C(5B)

Omit “that division” (wherever occurring), substitute “that first-mentioned month”.

42 Subsection 6C(6)

After “relevant percentage”, insert “(set out in subsection (7))”.

43 Subsection 6C(9)

Omit “relevant division” (wherever occurring), substitute “relevant month”.

44 Section 6C

Omit “prescribed division” (wherever occurring), substitute “month”.

45 Section 6C (other than the definitions of *adjusted previous year’s duty* and *non-adjusted previous year’s duty* in subsection (1))

Omit “the division” (wherever occurring), substitute “that month”.

46 Section 6C (other than subsections (5A) and (5B))

Omit “that division” (wherever occurring), substitute “that month”.

Note 1: The following heading to subsection 6C(1) is inserted “*Definitions*”.

Note 2: The following heading to subsection 6C(2) is inserted “*Introduction*”.

- Note 3: The following heading to subsection 6C(4) is inserted “*The total amount of notional duty*”.
- Note 4: The following heading to subsection 6C(5) is inserted “*The amount of notional duty for a quantity of oil—one petroleum price*”.
- Note 5: The following heading to subsection 6C(5A) is inserted “*The debited adjustment amount*”.
- Note 6: The following heading to subsection 6C(5B) is inserted “*The credited adjustment amount*”.
- Note 7: The following heading to subsection 6C(6) is inserted “*The amount of notional duty for a quantity of oil—more than one petroleum price*”.
- Note 8: The following heading to subsection 6C(7) is inserted “*Relevant percentage for a quantity of oil*”.
- Note 9: The following heading to subsection 6C(8) is inserted “*Rounding the number of kilolitres in a quantity of oil*”.
- Note 10: The following heading to subsection 6C(9) is inserted “*The amount of notional duty—dealing with the first year of production*”.
- Note 11: The following heading to subsection 6C(10) is inserted “*Interpretation of the Schedule*”.

47 Subsection 6D(1) (definition of *adjusted previous year’s duty*)

Omit “the division” (first occurring), substitute “that month”.

48 Subsection 6D(1) (definition of *adjusted previous year’s duty*)

Omit “the division” (second occurring), substitute “that first-mentioned month”.

49 Subsection 6D(1) (definition of *credited adjustment amount*)

Repeal the definition.

50 Subsection 6D(1) (definition of *debited adjustment amount*)

Repeal the definition.

51 Subsection 6D(1) (definition of *non-adjusted previous year’s duty*)

Omit “the division” (first occurring), substitute “that month”.

52 Subsection 6D(1) (definition of *non-adjusted previous year's duty*)

Omit “the division” (second occurring), substitute “that first-mentioned month”.

53 Subsection 6D(1) (definition of *prescribed division*)

Repeal the definition.

54 Subsections 6D(3), (3A) and (3B)

Repeal the subsections, substitute:

The amount of duty

- (3) Subject to subsection (3A), the amount of duty in respect of intermediate oil produced from a prescribed intermediate production area and entered for home consumption during a month of a financial year commencing on or after 1 July 1997 is the amount worked out using the formula:

$$\text{Notional duty} + \text{Debited adjustment amount} - \left[\text{Duty paid} + \text{Credited adjustment amount} \right]$$

where:

notional duty is the amount of notional duty in respect of intermediate oil produced from that area and entered for home consumption during the period starting at the start of that financial year and ending at the end of that month, worked out in accordance with subsection (4).

debited adjustment amount is the debited adjustment amount (if any) for that area and that month, worked out in accordance with subsection (5A).

duty paid is the amount of duty (if any) paid in respect of intermediate oil produced from that area and entered for home consumption during the period starting at the start of that financial year and ending at the end of that month.

credited adjustment amount is the credited adjustment amount (if any) for that area and that month, worked out in accordance with subsection (5B).

Disregarding certain amounts when working out amount of duty

- (3A) In working out, for the purposes of subsection (3), the amount of duty paid in respect of intermediate oil produced from a prescribed intermediate production area and entered for home consumption during a period starting at the start of a financial year and ending at the end of a month of that year, the following amounts are to be disregarded:
- (a) any increases in the amount of duty paid as a result of the addition of debited adjustment amounts for that area for any of the preceding months of that year;
 - (b) any decreases in that amount as a result of the subtraction of credited adjustment amounts for that area for any of those months.

55 Subsection 6D(5)

After “relevant percentage”, insert “(set out in subsection (7))”.

56 Subsection 6D(5A)

Omit “that division” (wherever occurring), substitute “that first-mentioned month”.

57 Subsection 6D(5B)

Omit “that division” (wherever occurring), substitute “that first-mentioned month”.

58 Subsection 6D(6)

After “relevant percentage”, insert “(set out in subsection (7))”.

59 Subsection 6D(9)

Omit “relevant division” (wherever occurring), substitute “relevant month”.

60 Section 6D

Omit “prescribed division” (wherever occurring), substitute “month”.

61 Section 6D (other than the definitions of *adjusted previous year’s duty* and *non-adjusted previous year’s duty* in subsection (1))

Omit “the division” (wherever occurring), substitute “that month”.

62 Section 6D (other than subsections (5A) and (5B))

Omit “that division” (wherever occurring), substitute “that month”.

- Note 1: The following heading to subsection 6D(1) is inserted “*Definitions*”.
- Note 2: The following heading to subsection 6D(2) is inserted “*Introduction*”.
- Note 3: The following heading to subsection 6D(4) is inserted “*The total amount of notional duty*”.
- Note 4: The following heading to subsection 6D(5) is inserted “*The amount of notional duty for a quantity of oil—one petroleum price*”.
- Note 5: The following heading to subsection 6D(5A) is inserted “*The debited adjustment amount*”.
- Note 6: The following heading to subsection 6D(5B) is inserted “*The credited adjustment amount*”.
- Note 7: The following heading to subsection 6D(6) is inserted “*The amount of notional duty for a quantity of oil—more than one petroleum price*”.
- Note 8: The following heading to subsection 6D(7) is inserted “*Relevant percentage for a quantity of oil*”.
- Note 9: The following heading to subsection 6D(8) is inserted “*Rounding the number of kilolitres in a quantity of oil*”.
- Note 10: The following heading to subsection 6D(9) is inserted “*The amount of notional duty—dealing with the first year of production*”.
- Note 11: The following heading to subsection 6D(10) is inserted “*Interpretation of the Schedule*”.

63 Section 6F

Repeal the section.

64 Paragraph 11(A)(3) of the Schedule

Repeal the paragraph, substitute:

- (3) n.e.i.-
- | | | |
|-----|--|---------------------|
| (a) | For use in aircraft | \$0.17931 per litre |
| (b) | For use otherwise than in aircraft and having a lead content exceeding 13 milligrams per litre | \$0.36725 per litre |

- | | | |
|-----|--|---------------------|
| (c) | For use otherwise than in aircraft and having a lead content not exceeding 13 milligrams per litre | \$0.34559 per litre |
|-----|--|---------------------|

65 Sub-item 11(D) of the Schedule

Repeal the sub-item, substitute:

- | | | |
|-----|------------------------------|---------------------|
| (D) | Kerosene for use in aircraft | \$0.01778 per litre |
|-----|------------------------------|---------------------|

66 Schedule (sub-item 17(C))

Repeal the sub-item.

67 Saving provision

- (1) Sections 6AB, 6AC, 6B, 6C and 6D of the *Excise Tariff Act 1921*, as in force immediately before the commencement day, continue to apply in relation to relevant oil produced from a prescribed production area, new oil produced from a prescribed new production area, and intermediate oil produced from a prescribed intermediate production area, that is entered for home consumption during a prescribed division occurring before that day.

- (2) In this item:

commencement day means 1 July 1997.

intermediate oil and ***new oil*** have the same meanings as in subsection 3(1) of the *Excise Tariff Act 1921* as in force immediately before the commencement day.

prescribed division, prescribed production area and ***relevant oil*** have the same meanings as in subsection 6B(1) of the *Excise Tariff Act 1921* as in force immediately before the commencement day.

prescribed intermediate production area has the same meaning as in subsection 6D(1) of the *Excise Tariff Act 1921* as in force immediately before the commencement day.

prescribed new production area has the same meaning as in subsection 6C(1) of the *Excise Tariff Act 1921* as in force immediately before the commencement day.

*[Minister's second reading speech made in—
House of Representatives on 26 March 1997
Senate on 15 May 1997]*

(29/97)

I HEREBY CERTIFY that the above is a fair print of the Excise Tariff Amendment Bill (No. 2) 1997 which originated in the House of Representatives and has been finally passed by the Senate and the House of Representatives.

Clerk of the House of Representatives

IN THE NAME OF HER MAJESTY, I assent to this Act.

Governor-General
1997