



# **Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Act 2006**

**No. 75, 2006**

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

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)



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

[Assented to 26 June 2006]

The Parliament of Australia enacts:

## **1 Short title**

This Act may be cited as the *Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Act 2006*.

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## 2 Commencement

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

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 on which this Act receives the Royal Assent.	26 June 2006
2. Schedule 1, items 1 to 41	1 July 2006.	1 July 2006
3. Schedule 1, items 42 to 44	1 November 2005.	1 November 2005
4. Schedule 1, items 45 to 47	1 July 2006.	1 July 2006

Note: This table relates only to the provisions of this Act as originally passed by the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

- (2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or 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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

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## Schedule 1—Amendments

### *Excise Tariff Act 1921*

#### **1 Section 2**

Omit “the *Distillation Act 1901*, the *Petroleum Revenue Act 1985*, the *Petroleum Excise (Prices) Act 1987* and the *Coal Excise Act 1949*”, substitute “the *Petroleum Revenue Act 1985* and the *Petroleum Excise (Prices) Act 1987*”.

#### **2 Subsection 3(1) (definition of *biodiesel*)**

Repeal the definition, substitute:

*biodiesel* means fuel manufactured by chemically altering vegetable oils or animal fats (including recycled oils from these sources) to form mono-alkyl esters.

#### **3 Subsection 3(1) (definition of *delayed-entry oil*)**

Omit “paragraph 17(A)(1) in”, substitute “subitem 20.1 of”.

#### **4 Subsection 3(1) (definition of *intermediate oil*)**

Omit “paragraph 17(A)(1) in”, substitute “subitem 20.1 of”.

#### **5 Subsection 3(1) (definition of *marker*)**

Repeal the definition.

#### **6 Subsection 3(1) (definition of *new oil*)**

Omit “paragraph 17(A)(1) in”, substitute “subitem 20.1 of”.

#### **7 Sections 5C and 5D**

Repeal the sections.

#### **8 Subsection 6A(1) (definition of *relevant rate*)**

Omit “item, sub-item, paragraph or subparagraph of the Schedule other than sub-item 1(BB) and items 17 and 20”, substitute “item or subitem of the Schedule other than item 20”.

#### **9 Paragraphs 6A(1A)(a) and (b)**

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Omit “item 11 or 12”, substitute “item 10”.

**10 Subsection 6A(4) (definition of *relevant rate*)**

Omit “or of section 6AAA and this section,”.

**11 Subsection 6A(4A)**

Omit “, or under subsection (4) as modified by section 6AAA, in respect of an item, sub-item, paragraph or subparagraph”, substitute “in respect of an item or subitem”.

**12 Subsection 6A(4B)**

Omit “, or under subsection (4) as modified by section 6AAA,”.

**13 Subsection 6A(4C)**

Omit “, or under subsection (4) as modified by section 6AAA,”.

**14 Subsection 6A(4D)**

Omit “item, sub-item, paragraph or subparagraph in”, substitute “item or subitem of”.

**15 Subsection 6A(4D)**

Omit “, and of subsection (4) as modified by section 6AAA,”.

**16 Subsection 6A(4D)**

Omit “or in that subsection as so modified”.

**17 Subsection 6A(5)**

Omit “, or that subsection as modified by section 6AAA,”.

**18 Subsection 6A(6)**

Omit “, or that subsection as modified by section 6AAA,”.

**19 Subsection 6A(7)**

Omit “or section 6AAA”.

**20 Subsection 6A(8)**

Omit “or section 6AAA”.

**21 Section 6AAA**

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Repeal the section.

**22 Subsection 6B(1) (definition of *old oil*)**

Omit “subparagraph 17(A)(2)(b) in”, substitute “subitem 20.7 of”.

**23 Subsection 6B(10)**

Omit “subparagraph 17(A)(2)(b) in”, substitute “subitem 20.7 of”.

**24 Subsection 6C(10)**

Omit “subparagraph 17(A)(2)(a) in”, substitute “subitem 20.5 of”.

**25 Subsection 6D(10)**

Omit “subparagraph 17(A)(2)(aa) in”, substitute “subitem 20.6 of”.

**26 Section 6G**

Repeal the section, substitute:

**6G Duty payable on blended goods**

- (1) Duty payable under this Act on goods (the *blended goods*) that are classified to subitem 10.7, 10.11, 10.12 or 10.30 of the Schedule is worked out using the formula:

$$[\text{Volume} \times \$0.38143] - \text{Previously paid duties}$$

where:

*previously paid duties* means the sum of:

- (a) the excise duties (if any) that have already been paid on goods that are constituent elements of the blended goods and that are classified to item 10 or 15 of the Schedule; and
- (b) if Customs duties have been paid on imported goods that are constituent elements of the blended goods and that would have been classified to item 10 or 15 of the Schedule if manufactured in Australia—so much of the Customs duties paid as represents the application of the excise equivalent rate in relation to those imported goods.

*volume* means the volume in litres of the blended goods (disregarding any water that has been added to manufacture those goods).

(2) In this section:

*excise equivalent rate* means so much of the rate of Customs duty applicable to goods on their importation into Australia as is equivalent to the rate of excise duty that would be payable on those goods if manufactured in Australia.

**27 Section 7**

Repeal the section.

**28 The Schedule (commencing note relating to imitations)**

Repeal the note.

**29 The Schedule (definition of *N.E.I.*)**

Repeal the definition.

**30 The Schedule (definition of *Brandy*)**

Repeal the definition, substitute:

*brandy* means a spirit distilled from grape wine in such a manner that the spirit possesses the taste, aroma and other characteristics generally attributed to brandy.

**31 The Schedule (definition of *Fruit Brandy*)**

Repeal the definition.

**32 The Schedule**

Insert:

*grape wine* has the same meaning as in Subdivision 31-A of the *A New Tax System (Wine Equalisation Tax) Act 1999*.

**33 The Schedule (definition of *Liqueur*)**

Repeal the definition.

**34 The Schedule**

Insert:

*lubricant/fluid/oil products* means the following:

- (a) lubricant base oils;

- (b) prepared lubricant additives containing carrier oils;
- (c) lubricants for engines, gear sets, pumps and bearings;
- (d) hydraulic fluids;
- (e) brake fluids;
- (f) transmission oils;
- (g) transformer and heat transfer oils.

### **35 The Schedule (definition of *Other Excisable Beverage*)**

Repeal the definition, substitute:

*other excisable beverage* means any beverage containing more than 1.15% alcohol by volume, but does not include:

- (a) beer; or
- (b) brandy; or
- (c) wine.

### **36 The Schedule (definition of *Rum*)**

Repeal the definition.

### **37 The Schedule**

Insert:

*territorial sea* has the same meaning as in the *Seas and Submerged Lands Act 1973*.

### **38 The Schedule (definition of *Whisky*)**

Repeal the definition.

### **39 The Schedule**

Insert:

*wine* has the same meaning as in Subdivision 31-A of the *A New Tax System (Wine Equalisation Tax) Act 1999*.

### **40 The Schedule (commencing note relating to tariff items 1 and 2)**

Omit “Tariff items 1 and 2 of this Schedule”, substitute “Items 1 to 3 of this Schedule”.

**41 The Schedule (paragraph (c) of the commencing note relating to the volume of alcohol contained in goods)**

Omit “section 77FB”, substitute “section 65”.

**42 The Schedule (the rate of duty in subitem 11(A))**

Repeal the rate of duty, substitute:

\$0.02854 per litre

**43 The Schedule (the rate of duty in subparagraph 11(H)(1)(a))**

Repeal the rate of duty, substitute:

\$0.02854 per litre

**44 The Schedule (the rate of duty in subparagraph 11(H)(2)(a))**

Repeal the rate of duty, substitute:

\$0.02854 per litre

**45 The Schedule (table)**

Repeal the table, substitute:

Excise duties			
Item	Subitem	Description of goods	Rate of Duty
<b>1</b>		<b>Beer</b>	
	1.1	Beer not exceeding 3% by volume of alcohol packaged in an individual container not exceeding 48 litres	\$31.73 per litre of alcohol calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15
	1.2	Beer not exceeding 3% by volume of alcohol packaged in an individual container exceeding 48 litres	\$6.33 per litre of alcohol calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15

<b>Excise duties</b>			
<b>Item</b>	<b>Subitem</b>	<b>Description of goods</b>	<b>Rate of Duty</b>
	1.5	Beer exceeding 3% but not exceeding 3.5% by volume of alcohol packaged in an individual container not exceeding 48 litres	\$36.98 per litre of alcohol calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15
	1.6	Beer exceeding 3% but not exceeding 3.5% by volume of alcohol packaged in an individual container exceeding 48 litres	\$19.89 per litre of alcohol calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15
	1.10	Beer exceeding 3.5% by volume of alcohol packaged in an individual container not exceeding 48 litres	\$36.98 per litre of alcohol calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15
	1.11	Beer exceeding 3.5% by volume of alcohol packaged in an individual container exceeding 48 litres	\$26.03 per litre of alcohol calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15
	1.15	Beer not exceeding 3% by volume of alcohol produced for non-commercial purposes using commercial facilities or equipment	\$2.22 per litre of alcohol calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15

<b>Excise duties</b>			
<b>Item</b>	<b>Subitem</b>	<b>Description of goods</b>	<b>Rate of Duty</b>
	1.16	Beer exceeding 3% by volume of alcohol produced for non-commercial purposes using commercial facilities or equipment	\$2.58 per litre of alcohol calculated on that alcohol content by which the percentage by volume of alcohol of the goods exceeds 1.15
<b>2</b>		<b>Other excisable beverages not exceeding 10% by volume of alcohol</b>	\$36.98 per litre of alcohol
<b>3</b>		<b>Spirits; Other excisable beverages exceeding 10% by volume of alcohol</b>	
	3.1	Brandy	\$58.48 per litre of alcohol
	3.2	Other excisable beverages exceeding 10% by volume of alcohol	\$62.64 per litre of alcohol
	3.5	Spirit that: (a) a person has an approval, under section 77FD of the <i>Excise Act 1901</i> , to use for fortifying Australian wine or Australian grape must; and (b) is otherwise covered by the approval	Free
	3.6	Spirit that: (a) is for use by a person who is included in a class of persons determined under section 77FE of the <i>Excise Act 1901</i> ; and (b) if a quantity is specified in a determination under that section in relation to the person—does not exceed that quantity; and (c) is for an industrial, manufacturing, scientific, medical, veterinary or educational purpose	Free

<b>Excise duties</b>			
<b>Item</b>	<b>Subitem</b>	<b>Description of goods</b>	<b>Rate of Duty</b>
	3.7	Spirit that: (a) a person has an approval, under section 77FF of the <i>Excise Act 1901</i> , to use for an industrial, manufacturing, scientific, medical, veterinary or educational purpose; and (b) is otherwise covered by the approval	Free
	3.8	Spirit denatured according to a formula determined under section 77FG of the <i>Excise Act 1901</i> , other than spirit for use as fuel in an internal combustion engine	Free
	3.10	Spirits not elsewhere included	\$62.64 per litre of alcohol
<b>5</b>	<b>Tobacco, cigars, cigarettes and snuff</b>		
	5.1	In stick form not exceeding in weight 0.8 grams per stick actual tobacco content	\$0.23259 per stick
	5.5	Other	\$290.74 per kilogram of tobacco content

Excise duties			
Item	Subitem	Description of goods	Rate of Duty
10		<p>Goods as follows:</p> <p>(a) petroleum condensate and stabilised crude petroleum oil for use otherwise than:</p> <p>(i) in the recovery, production, pipeline transportation or refining of petroleum condensate or stabilised crude petroleum oil; and</p> <p>(ii) as feedstock at a factory specified in a licence granted under Part IV of the <i>Excise Act 1901</i>;</p> <p>(b) topped crude petroleum oil;</p> <p>(c) refined or semi-refined liquid products derived from petroleum, other than such products for use (other than in an internal combustion engine) in refining petroleum condensate or stabilised crude petroleum oil;</p> <p>(d) liquid hydrocarbon products derived through a recycling, manufacturing or other process;</p> <p>(e) denatured ethanol for use as fuel in an internal combustion engine;</p> <p>(f) biodiesel;</p> <p>(g) blends of 1 or more of the above goods (with or without other substances), other than blends covered by subsection 77H(1) or (3) of the <i>Excise Act 1901</i>;</p> <p>but not including the following:</p> <p>(h) goods classified to item 15;</p> <p>(i) waxes, liquefied petroleum gas and bitumen</p>	
	10.1	Petroleum condensate	\$0.38143 per litre
	10.2	Stabilised crude petroleum oil	\$0.38143 per litre
	10.3	Topped crude petroleum oil	\$0.38143 per litre

<b>Excise duties</b>			
<b>Item</b>	<b>Subitem</b>	<b>Description of goods</b>	<b>Rate of Duty</b>
	10.5	Gasoline (other than for use as fuel in aircraft)	\$0.38143 per litre
	10.6	Gasoline for use as fuel in aircraft	\$0.02854 per litre
	10.7	Blends of gasoline and ethanol	The amount of duty worked out under section 6G
	10.10	Diesel (other than biodiesel)	\$0.38143 per litre
	10.11	Blends of diesel and ethanol	The amount of duty worked out under section 6G
	10.12	Blends of diesel and biodiesel	The amount of duty worked out under section 6G
	10.15	Heating oil	\$0.38143 per litre
	10.16	Kerosene (other than for use as fuel in aircraft)	\$0.38143 per litre
	10.17	Kerosene for use as fuel in aircraft	\$0.02854 per litre
	10.18	Fuel oil	\$0.38143 per litre
	10.20	Denatured ethanol for use as fuel in an internal combustion engine	\$0.38143 per litre
	10.21	Biodiesel	\$0.38143 per litre
	10.25	Liquid aromatic hydrocarbons consisting principally of benzene, toluene or xylene or mixtures of them (other than goods covered by section 77J of the <i>Excise Act 1901</i> )	\$0.38143 per litre
	10.26	Mineral turpentine (other than goods covered by section 77J of the <i>Excise Act 1901</i> )	\$0.38143 per litre
	10.27	White spirit (other than goods covered by section 77J of the <i>Excise Act 1901</i> )	\$0.38143 per litre
	10.28	Petroleum products (other than blends) not elsewhere included (other than goods covered by section 77J of the <i>Excise Act 1901</i> )	\$0.38143 per litre

<b>Excise duties</b>			
<b>Item</b>	<b>Subitem</b>	<b>Description of goods</b>	<b>Rate of Duty</b>
	10.30	Blends of 1 or more of the above goods (with or without other substances) not elsewhere included that can be used as fuel in an internal combustion engine (other than goods covered by section 77J of the <i>Excise Act 1901</i> )	The amount of duty worked out under section 6G
<b>15</b>		<b>Goods as follows, other than:</b> <b>(a) goods for use as a fuel; and</b> <b>(b) exempt oils and hydraulic fluids</b>	
	15.1	Petroleum-based oils (including lubricant/fluid/oil products) and their synthetic equivalents but not greases	\$0.05449 per litre
	15.2	Petroleum-based oils (including lubricant/fluid/oil products and greases) and their synthetic equivalents, recycled for use as oils (including lubricant/fluid/oil products) but not greases	\$0.05449 per litre
	15.3	Petroleum-based greases and their synthetic equivalents	\$0.05449 per kilogram
	15.4	Petroleum-based oils (including lubricant/fluid/oil products and greases) and their synthetic equivalents, recycled for use as greases	\$0.05449 per kilogram
<b>20</b>		<b>Stabilised crude petroleum oil, other than:</b> <b>(a) stabilised crude petroleum oil produced from a Resource Rent Tax area; and</b> <b>(b) exempt offshore oil</b>	
	20.1	As prescribed by by-law	Free
	20.2	Delayed-entry oil	The delayed-entry oil rate that applies to the oil
	20.3	Pre-threshold onshore oil	Free

<b>Excise duties</b>			
<b>Item</b>	<b>Subitem</b>	<b>Description of goods</b>	<b>Rate of Duty</b>
	20.5	New oil	Free, or, if higher, the amount of duty worked out under section 6C
	20.6	Intermediate oil	Free, or, if higher, the amount of duty worked out under section 6D
	20.7	Other	Free, or, if higher, the amount of duty worked out under section 6B
<b>21</b>		<b>Condensate produced in a State or Territory or inside the outer limits of the territorial sea of Australia other than condensate produced from a prescribed source</b>	Free

#### **46 Transitional—previously paid duties**

In working out the duty payable on blended goods under section 6G of the *Excise Tariff Act 1921* after the commencement of this item, paragraph (a) of the definition of *previously paid duties* in that section includes any excise duties already paid on goods that:

- (a) are constituent elements of the blended goods; and
- (b) were classified to item 11, 12 or 15 of the Schedule to that Act (as in force before the commencement of this item).

#### **47 Transitional regulations**

The Governor-General may make regulations prescribing matters of a transitional nature (including prescribing any saving or application provisions) relating to the amendments made by this Act.

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*[Minister's second reading speech made in—  
House of Representatives on 11 May 2006  
Senate on 13 June 2006]*

(55/06)