

EXPLANATORY STATEMENT

STATUTORY RULES 1984 NO.319

CUSTOMS REGULATIONS (AMENDMENT)

Issued by the Authority of the Minister of State for Industry and Commerce.

Section 163 of the Customs Act 1901 provides, amongst other things, for refunds, rebates and remissions of duty in such circumstances as may be prescribed.

Customs Regulation 126 provides circumstances that are prescribed circumstances for the purposes of section 163 of the Customs Act 1901.

The purpose of the attached regulations is to amend Customs Regulation 126 to prescribe a new circumstance for the purposes of section 163 of the Customs Act 1901 so as to provide for an exemption from duties of Customs on fuel oil used as a chemical reductant in the nickel oxide refining process and not in the traditional sense as an energy source.

The Government's decision to grant this exemption followed representations from Queensland Nickel Pty Ltd that fuel oil used at that company's Greenvale Nickel Project is used mainly as a chemical reductant in the nickel oxide refining process and not in the traditional sense as an energy source.

The regulations effect this Customs duty exemption by adding a new paragraph in Regulation 126 of the Customs Regulations specifying the conditions to be met before the duty exemption will apply. The exemption is only to apply if the fuel oil is:

- (i) delivered for home consumption under a permission pursuant to section 71B of the Customs Act 1901;
- (ii) used in the chemical reduction in herreshoff-type roasters of oxides and other compounds of nickel and cobalt in lateritic nickel ore to produce elemental nickel and cobalt; and
- (iii) used at a place that is not a natural gas area within the meaning of section 3A of the Liquefied Petroleum Gas (Grants) Act 1980.

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