

2010-2011

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**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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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

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 or before 1 December 2011: (a) Part 1 of Schedule 1 to the <i>Customs Tariff Amendment (Taxation of Alternative Fuels) Act 2011</i> ; (b) Schedule 1 to the <i>Taxation of Alternative Fuels Legislation Amendment Act 2011</i> ; (c) Schedule 1 to the <i>Energy Grants (Cleaner Fuels) Scheme 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 table item 2 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 table item 2 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 table item 2 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 table item 2 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Note: This table relates only to the provisions of this Act as originally enacted.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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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.

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 (subparagraph (a)(i) of the cell at table item 10,**
17 **column headed “Description of goods”)**

18 Omit “and”, substitute “or”.

19 **4 Schedule (after paragraph (d) of the cell at table item 10,**
20 **column headed “Description of goods”)**

21 Insert:

22 **(da) liquefied petroleum gas;**

23 **(db) liquefied natural gas;**

24 **(dc) compressed natural gas;**

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 (at the end of the cell at table item 10, column**
29 **headed “Description of goods”)**

30 Add:

31 **(j) goods covered by section 77HA or 77HB of the *Excise Act 1901***

32 **7 Schedule (after table subitem 10.18)**

Schedule 1 Amendment of the Excise Tariff Act 1921
Part 1 Amendments to commence on 1 December 2011

1	Insert:		
	10.19A	Liquefied petroleum gas, other than liquefied petroleum gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.025 per litre
	10.19B	Liquefied natural gas, other than liquefied natural gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.0522 per kilogram
	10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.0522 per kilogram

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Part 2—Amendments to commence on 1 July 2012

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

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Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas, other than liquefied petroleum gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.05 per litre
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10.19B	Liquefied natural gas, other than liquefied natural gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.1045 per kilogram
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10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.1045 per kilogram
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Part 3—Amendments to commence on 1 July 2013

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

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Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas, other than liquefied petroleum gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.075 per litre
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10.19B	Liquefied natural gas, other than liquefied natural gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.1567 per kilogram
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10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.1567 per kilogram
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Part 4—Amendments to commence on 1 July 2014

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

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Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas, other than liquefied petroleum gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.10 per litre
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10.19B	Liquefied natural gas, other than liquefied natural gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.209 per kilogram
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10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.209 per kilogram
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Part 5—Amendments to commence on 1 July 2015

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11 Schedule (table subitems 10.19A, 10.19B and 10.19C)

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Repeal the subitems, substitute:

10.19A	Liquefied petroleum gas, other than liquefied petroleum gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.125 per litre
10.19B	Liquefied natural gas, other than liquefied natural gas exempted from excise duty by section 77HB of the <i>Excise Act 1901</i>	\$0.2613 per kilogram
10.19C	Compressed natural gas, other than compressed natural gas exempted from excise duty by section 77HA of the <i>Excise Act 1901</i>	\$0.2613 per kilogram

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Part 6—Application of amendments

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12 Application of amendments

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(1) The amendments of the Schedule to the *Excise Tariff Act 1921* made by a Part of this Schedule apply to goods manufactured or produced in Australia on or after the day that Part commenced and goods for which all the following conditions are met:

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(a) the goods were manufactured or produced in Australia before that day;

(b) on that day, the goods either:

(i) were subject to the CEO's control; or

(ii) were in the stock, custody or possession of, or belonged to, a manufacturer or producer of the goods; and

(c) no duty of excise had been paid on the goods before that day.

(2) This item has effect despite subsection 5(2) of the *Excise Tariff Act 1921*.