

1983-84

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

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Presented and read a first time, 13 September 1984

*(Minister Assisting the Minister for Industry and Commerce)*

## A BILL

FOR

### An Act to amend the *Excise Tariff Act 1921*

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

#### Short title, &c.

5     **1. (1)** This Act may be cited as the *Excise Tariff Amendment Act (No. 2) 1984*.

**(2)** The *Excise Tariff Act 1921*<sup>1</sup> is in this Act referred to as the Principal Act.

#### Commencement

10     **2. (1)** Sections 1 and 2 and sub-section 5 (2) shall come into operation on the day on which this Act receives the Royal Assent.

**(2)** Section 3, sub-sections 4 (2) and 6 (2) and sections 7 and 9 shall be deemed to have come into operation on 1 July 1984.

**(3)** Sub-sections 4 (1) and 6 (1) shall be deemed to have come into operation on 1 July 1983.

(4) Sub-section 5 (1) shall be deemed to have come into operation on 25 June 1984.

(5) Section 8 shall be deemed to have come into operation at the hour of 8 o'clock in the evening by standard time in the Australian Capital Territory on 22 June 1984.

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(6) Section 10 shall be deemed to have come into operation on 18 July 1984.

(7) Section 11 shall be deemed to have come into operation at the hour of 8 o'clock in the evening by standard time in the Australian Capital Territory on 21 August 1984.

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3. After section 2 of the Principal Act the following section is inserted:

**Interpretation**

“3. In this Act, unless the contrary intention appears—

‘new area’ means a naturally occurring discrete accumulation of oil, of gas, or of both, discovered after 17 September 1975;

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‘new oil’ means stabilized crude petroleum oil (other than oil in respect of which paragraph 17 (A) (1) in the Schedule applies) produced from a new area.”.

4. (1) After section 5A of the Principal Act the following section is inserted:

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**Petroleum**

“5B. (1) In this section—

‘petroleum’ means petroleum oil or petroleum gas and includes a liquid derived from petroleum gas;

‘prescribed petroleum’ means petroleum other than stabilized oil;

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‘production area’ means a prescribed production area within the meaning of section 6B;

‘stabilized oil’ means stabilized crude petroleum oil.

“(2) Subject to sub-section (3), for the purposes of this Act, where a mixing of 2 or more kinds of petroleum has occurred and the resulting mixture takes on the essential character of petroleum of one of those kinds (in this sub-section referred to as ‘petroleum of the principal kind’), the petroleum in the mixture shall be deemed to be petroleum of the principal kind.

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“(3) For the purposes of this Act, where a person enters for home consumption a mixture of, or obtained from, stabilized oil and prescribed petroleum, the petroleum in the mixture shall be deemed to be stabilized oil.

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“(4) For the purposes of this Act, where stabilized oil is obtained from prescribed petroleum produced from a particular production area, that oil shall be taken to have been produced from that production area.

“(5) For the purposes of this Act, where a quantity of stabilized oil consists of oil obtained from prescribed petroleum produced from different production areas—

- 5 (a) the prescribed petroleum produced from each of those production areas shall be deemed to have resulted in the production of a discrete part of that quantity of stabilized oil; and
- 10 (b) the part of that quantity of stabilized oil that is to be taken to have been obtained from prescribed petroleum produced from such a production area is so much of that quantity of stabilized oil as bears to that quantity the same proportion as the quantity of prescribed petroleum produced from that production area bears to the total quantity of prescribed petroleum produced from all the production areas from which that quantity of stabilized oil was so obtained.”.

15 (2) Section 5B of the Principal Act is amended by omitting from sub-section (1) the definition of “production area” and substituting the following definition:

“‘production area’ means—

- 20 (a) a prescribed production area within the meaning of section 6B; or
- (b) a prescribed new production area within the meaning of section 6C;”.

### **Indexation of rates of duty**

5 (1) Section 6A of the Principal Act is amended by omitting from sub-section (4A) “paragraphs” and substituting “paragraph”.

25 (2) Section 6A of the Principal Act is amended by omitting paragraph (5) (a) and substituting the following paragraph:

“(a) is the number, calculated to 3 decimal places, ascertained by dividing—

- 30 (i) if the relevant period commences on 1 February—the index number for the last preceding December quarter; or
- (ii) if the relevant period commences on 1 August—the index number for the last preceding June quarter,

35 by the highest index number in respect of a December or June quarter that preceded that quarter, not being a December or June quarter that occurred before the December quarter in the year 1983; or”.

### **Duties of excise on certain crude petroleum oil**

6. (1) Section 6B of the Principal Act is amended—

- 40 (a) by inserting “(which, without limiting the generality of the foregoing, may be a discrete accumulation of oil, of gas or of both, a well, an oilfield or a gas field)” after “Departmental By-laws” in the definition of “prescribed production area” in sub-section (1);
- (b) by omitting from paragraph (3) (a) “at” and substituting “from”;
- (c) by omitting from sub-section (4) “at” and substituting “from”;

- (d) by adding at the end of paragraph (4) (f) “and”; and
- (e) by omitting from sub-section (6) “at” (wherever occurring) and substituting “from”.

(2) Section 6B of the Principal Act is amended—

- (a) by omitting from sub-section (1) the definition of “financial year”; and 5
- (b) by omitting “paragraph 17 (A) (2)” from the definition of “relevant oil” in sub-section (1) and substituting “sub-paragraph 17 (A) (2) (b)”; and
- (c) by omitting from sub-section (10) “paragraph 17 (A) (2)” and substituting “sub-paragraph 17 (A) (2) (b)”. 10

7. After section 6B of the Principal Act the following section is inserted:

**Duties of excise on new oil**

“6C. (1) In this section—

‘Import Parity Price’ means the amount that is the Import Parity Price within the meaning of section 6B; 15

‘prescribed division’, in relation to a financial year, has the same meaning as in section 6B;

‘prescribed new production area’ means a new petroleum production area prescribed by Departmental By-laws (which, without limiting the generality of the foregoing, may be a discrete accumulation of oil, of gas or of both, a well, an oilfield or a gas field). 20

“(2) The amount of duty in respect of new oil ascertained in accordance with this section shall be ascertained by reference to the prescribed new production area from which the oil is produced and to the prescribed division of a financial year during which the oil is entered for home consumption. 25

“(3) The amount of duty in respect of new oil produced from a particular prescribed new production area and entered for home consumption during a particular prescribed division of a financial year is the difference (if any) between—

- (a) the amount of notional duty in respect of new oil produced from that production area and entered for home consumption during the period commencing on the commencement of that financial year and ending on the expiration of that prescribed division; and 30

- (b) the amount of duty (if any) paid in respect of the new oil produced from that production area and entered for home consumption during that period. 35

“(4) The amount of notional duty in respect of new oil produced from a particular prescribed new production area and entered for home consumption during a particular period is the sum of the amounts of notional duty in respect of— 40

- (a) the quantity (if any) of the oil that exceeds A x 10B but does not exceed A x 12B;

- (b) the quantity (if any) of the oil that exceeds  $A \times 12B$  but does not exceed  $A \times 14B$ ;
- (c) the quantity (if any) of the oil that exceeds  $A \times 14B$  but does not exceed  $A \times 16B$ ; and
- (d) the quantity (if any) of the oil that exceeds  $A \times 16B$ ,

where—

**A** is the number of days in the period;

**B** is—

- (a) where the period is in a year in which there are 365 days—136.98630 kilolitres; or
- (b) where the period is in a year in which there are 366 days—136.61202 kilolitres.

“(5) Subject to sub-sections (6) and (9), the amount of notional duty in respect of a quantity of oil referred to in sub-section (4) is an amount equal to the relevant percentage of the product of—

- (a) the amount specified in the Import Parity Price; and
- (b) the number of kilolitres in that quantity,

calculated to the nearest cent.

“(6) Where a variation of the Import Parity Price has occurred, or variations of the Import Parity Price have occurred, during a financial year, the amount of the notional duty in respect of a quantity of oil referred to in sub-section (4) produced from a particular prescribed new production area and entered for home consumption during a period in that year (in this section referred to as the ‘relevant period’) is an amount equal to the relevant percentage of the sum of the amounts calculated in respect of each Import Parity Price in operation during that period in accordance with the formula—

$$\frac{C \times D \times J}{K}$$

**K**

where—

**C** is the amount specified in the Import Parity Price;

**D** is the number of kilolitres in the quantity;

**J** is the number of kilolitres of new oil produced from that production area and entered for home consumption after the commencement of the relevant period or the day on which the Import Parity Price was determined (whichever occurred last) and before the end of the relevant period or the day on which another Import Parity Price was determined (whichever occurred first);

**K** is the number of kilolitres of new oil produced from that production area and entered for home consumption during the relevant period.

“(7) For the purposes of sub-sections (5) and (6), the relevant percentage in relation to a quantity of oil referred to in sub-section (4) is—

- (a) in the case of a quantity to which paragraph (4) (a) applies—10%;

- (b) in the case of a quantity to which paragraph (4) (b) applies—20%;
- (c) in the case of a quantity to which paragraph (4) (c) applies—30%; and
- (d) in the case of a quantity to which paragraph (4) (d) applies—35%.

“(8) For the purposes of sub-sections (5) and (6), the number of kilolitres in a quantity of oil shall be taken to be a number equal to— 5

- (a) unless paragraph (b) applies—the number of kilolitres in that quantity calculated to 1 decimal place; or
- (b) where the number of kilolitres in that quantity calculated to 2 decimal places ends in a number greater than 4—the number of kilolitres in that quantity calculated to 1 decimal place increased by 0.1. 10

“(9) Where no new oil produced from a particular prescribed new production area was ever entered for home consumption before the expiration of the first prescribed division of a particular financial year, then, in ascertaining, in accordance with sub-sections (4), (5) and (7) or (4), (6) and (7), the notional duty in respect of new oil produced from that production area and entered for home consumption during a later prescribed division (in this sub-section referred to as the ‘relevant division’) of that financial year, those sub-sections have effect in relation to the new oil as if each reference in a paragraph of sub-section (4) to B were a reference to the product of B and the factor ascertained in accordance with the formula— 15  
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$$\frac{M}{N}$$

where—

M is the number of days in the period commencing on the day on which new oil produced from the prescribed new production area was first entered for home consumption and ending on the expiration of the relevant division; and 25

N is the number of days in the period commencing on the first day of the financial year and ending on the expiration of the relevant division.

“(10) The words set out after ‘, if higher,’ in the column headed ‘Rate of Duty’ in sub-paragraph 17 (A) (2) (a) in the Schedule shall be deemed, for the purposes of this Act or any other law of the Commonwealth, to be a rate of duty.” 30

**Amendments of Schedule having effect from 22 June 1984**

8. The Schedule to the Principal Act is amended by omitting from sub-item 2 (J) “\$1.56 per litre of alcohol” and substituting “Free”. 35

**Amendments of Schedule having effect from 1 July 1984**

9. The Schedule to the Principal Act is amended—

- (a) by omitting sub-item 17 (A) and substituting the following sub-item:

“17. (A) Stabilized crude petroleum oil:  
(1) As prescribed by Departmental By-laws Free

(2) Other—	
(a) New oil	Free, or, if higher, the amount of duty ascertained in accordance with section 6C
(b) Other	Free, or, if higher, the amount of duty ascertained in accordance with section 6B; and

- (b) by omitting from paragraph 17 (C) (2) “\$49.23” and substituting “\$36.96”.

#### Amendments of Schedule having effect from 18 July 1984

10. The Schedule to the Principal Act is amended—

- 5 (a) by omitting from item 1 “\$0.63” and substituting “\$0.66000”; and  
 (b) by omitting sub-item 2 (H) and substituting the following sub-item:  
 “(H) Gin \$20.36 per litre of alcohol”.

#### Amendments of Schedule having effect from 21 August 1984

11. The Schedule to the Principal Act is amended—

- 10 (a) by omitting the definition of “Beer” and substituting the following definition:

“‘Beer’ means any fermented liquor (whether or not the liquor contains sugars or glucose or another substance) that—

- 15 (a) is brewed from a mash (whether or not the mash contains malt);  
 (b) contains hops, a substance prepared from hops or other bitters; and  
 (c) contains more than 0.5% by volume of alcohol, but does not include such a liquor—  
 20 (d) produced otherwise than at a brewery within the meaning of Part VIIA of the *Excise Act 1901*; and  
 (e) produced for non-commercial purposes.”;

- (b) by omitting item 1 and substituting the following item:

“1. Beer—

(A) Beer, as prescribed by Departmental By-laws	Free
(B) Beer that does not contain more than 1.15% by volume of alcohol	Free
(C) Beer that contains more than 1.15% by volume of alcohol but does not contain more than 3.8% by volume of alcohol	\$0.58000 per litre
(D) Beer that contains more than 3.8% by volume of alcohol	\$0.66000 per litre”;

- 25 (c) by omitting from item 6 “\$20.10” and substituting “\$25.92”;  
 (d) by omitting from sub-paragraph 11 (A) (3) (a) “\$0.07358” and substituting “\$0.07910”; and  
 (e) by omitting from sub-item 11 (D) “\$0.06978” and substituting “\$0.07514”.

**NOTE**

1. No. 26, 1921, as amended. For previous amendments, see No. 28, 1924; No. 28, 1926; No. 4, 1928; Nos. 20 and 21, 1933; No. 17, 1936; Nos. 24 and 70, 1938; Nos. 29, 54 and 65, 1939; Nos. 3, 4, 14 and 93, 1948; Nos. 77 and 82, 1949; Nos. 61, 62 and 80, 1950; No. 83, 1952; No. 78, 1953; Nos. 16, 59 and 87, 1956; No. 82, 1957; No. 19, 1958; Nos. 26, 65 and 66, 1959; Nos. 26 and 57, 1960; Nos. 21 and 55, 1961; No. 73, 1962; Nos. 41 and 91, 1963; No. 125, 1964; Nos. 83 and 140, 1965; Nos. 18 and 82, 1967; Nos. 74 and 75, 1968; Nos. 5 and 33, 1969; No. 81, 1970; No. 108, 1971; Nos. 22, 64 and 119, 1972; Nos. 20, 23, 146 and 216, 1973; No. 121, 1974; Nos. 104 and 136, 1977; Nos. 48 and 184, 1978; Nos. 81, 83 and 164, 1979; Nos. 43, 44, 45 and 122, 1980; No. 50, 1981; Nos. 45, 54 and 80, 1982; Nos. 27 and 99, 1983; and No. 53, 1984.