

1993

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CUSTOMS AND EXCISE LEGISLATION AMENDMENT BILL 1993

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Industry, Technology and Regional
Development, the Honourable Alan Griffiths MP)



CUSTOMS AND EXCISE LEGISLATION AMENDMENT BILL 1993

OUTLINE

This Bill is an omnibus measure proposing amendments to the *Customs Act 1901* and the *Excise Act 1901*. Together with the Diesel Fuel (Customs Duty Rebate) Administration Charge Bill 1993, the Diesel Fuel (Excise Duty Rebate) Administration Charge Bill 1993 and the Excise Tariff Amendment Bill (No. 2) 1993, it forms a package of Bills introducing the following measures:

- i) amendments to the Diesel Fuel Rebate Scheme (DFRS) to restrain the escalating costs of that scheme.

The relevant amendments will be to the *Customs Act 1901* and the *Excise Act 1901* which are designed, together with the introduction of the Diesel Fuel (Customs Duty Rebate) Administration Charge Bill 1993 and the Diesel Fuel (Excise Duty Rebate) Administration Charge Bill 1993 to address those escalating costs. The package of amendments are as follows:

the imposition of an administration fee of 1% of the value of the rebate payable to claimants;

annual indexation of rebate rates; and

establishing a time limit of three years after the purchase of fuel for claims for rebate.

The imposition of the administration fee is dealt with in the Diesel Fuel (Customs Duty Rebate) Administration Charge Bill 1993 and the Diesel Fuel (Excise Duty Rebate) Administration Charge Bill 1993.

The adjustment of the rebate rates because of indexation of the duty rates applying to diesel fuel will now occur each year in February. This compares to the previous system which adjusted the rates of rebate twice yearly (in February and August) but then averaged out these increases through the use of a six-monthly moving average. It is considered that this will, in addition to restraining costs under the scheme, simplify its administration.

The new three year limit for the lodgement of rebate is designed to help reduce the administrative costs of processing retrospective claims which can currently be made for purchases back to 1986;

- ii) amendments to the *Excise Act 1901* (together with amendments to the *Excise Tariff Act 1921*) to address the problems that have arisen due to the practice of brewing beer with the aid of commercial facilities in unlicensed premises and, in particular, to ensure that beer so produced is subject to both customs control and to duties of excise;

iii) amendments to the *Excise Act 1901* (together with amendments to the *Excise Tariff Act 1921*) to ensure certain blended petroleum products and crude oil or condensate delivered for use otherwise than as refinery feedstock are excisable products, and that the excise duty payable on the blend, the crude oil or condensate will be payable at a rate equal to either the diesel rate or the leaded petrol rate, depending upon the composition of the petroleum product;

iv) amendments to the *Excise Act 1901* to provide that where either blended petroleum products or crude oil are duty paid at the rate applicable to diesel fuel and where the products are for use in an eligible manner for the purposes of the DFRS, then a rebate of duty under that scheme is payable; and

v) amendments to the *Excise Act 1901* to allow payments to certain naphtha producers where certain conditions have been met.

Financial Impact Statement

Amendments to the Diesel Fuel Rebate Scheme (other than the imposition of an administration fee)

The amendments to the DFRS are expected to result in the following savings:

\$ 3.9 million in financial year 1993-94

\$15.8 million in financial year 1994-95

\$16.9 million in financial year 1995-96

Amendments in respect of "microbreweries"

The amendments to ensure that beer produced with the assistance of commercial facilities and equipment is subject to both customs control and excise duty is expected to generate revenue as follows:

\$109,000 in financial year 1993-94

\$200,000 in financial year 1994-95

Amendments in respect of "Petroleum Substitution"

The amendments addressing the problems associated with the blending of petroleum products is expected to generate revenue as follows:

\$14 million in financial year 1993-94

\$19.5 million in financial year 1994-95

\$19.5 million in financial year 1995-96

Amendments in respect of certain naphtha producers

The payments to certain naphtha producers are not expected to have any financial impact before the 1996-97 financial year because of the fact that production using the new process is unlikely to commence before that period.

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NOTES ON CLAUSES

Clause 1 - Short title etc.

1. This is a machinery clause which provides for the Act to be cited as the *Customs and Excise Legislation Amendment Act 1993*.

Clause 2 - Commencement

2. Provides for the commencement of the Act as follows:

Royal Assent commencement for the machinery citation provisions in the Act, the commencement provision and for the provisions which clarify that the sections of both Acts are to be read as though the provisions are within the Commonwealth's legislative power(subclause 2(1));

1 January 1994 for the provisions relating to the amendments to the Diesel Fuel Rebate Scheme (DFRS) which introduce a three year limit for the lodgement of rebate claims and also to the provisions in this Act which are consequential upon the introduction of the 1% administration fee (subclause 2(2));

1 February 1994 for the provisions relating to the amendments to the DFRS which provide for adjustment of the rebate rate only once a year to take into account indexation of the excise rate (subclause 2(3));

Proclamation commencement for the remainder of the Act, which includes the amendments relating to micro-breweries, petroleum substitution and providing for payments to certain naphtha producers (subclause 2(4)).

The proclamation commencement is qualified by the standard provision which states that if a provision is to commence by proclamation and it has not been proclaimed within six months after the Act's Royal Assent, then it commences the day after that six month period.

PART 2 - AMENDMENTS OF THE CUSTOMS ACT 1901

Clause 3 - Principal Act

3. This is a machinery clause which provides that in Part 2 of this Act the *Customs Act 1901* will be referred to as the 'Principal Act.'

Clause 4 -Insertion of a new section

4. This clause inserts a new section 4AA into the Principal Act to make clear that where a provision of the Principal Act could have an application that would exceed the Commonwealth's legislative power then this provision operates to preserve

Parliament's intention that the provision of the Principal Act has an application that is within the Commonwealth's legislative power.

5. In some recent cases the High Court has construed legislation to have applications that it has found to be in excess of the Commonwealth's legislative powers. It has then found the provisions incapable of being read down, the result being that the provisions have been held invalid even in relation to classes of cases to which they could have validly applied if they had been limited to those classes. For example, in *Chu Kheng Lim v Minister for Immigration, Local Government and Ethnic Affairs* (1992) 110 ALR 97, a majority of the High Court held that a section providing that a court "is not to order the release from custody of a designated person" purported to apply, not only to lawful custody, but also to unlawful custody. The majority then proceeded to hold that the latter application was invalid and inseverable from the application of the section to lawful custody, and hence was wholly invalid. The proposed clause is intended to enable such legislation to be upheld to the extent of the circumstances to which it could validly apply if it were expressly limited to those circumstances.

Clause 5 - Rebate of duty in respect of diesel fuel used for certain purposes

6. This clause amends section 164 of the Principal Act to:

(a) introduce a three year limit on the lodgement of rebate claims (new subsection 164(4AB)); that is, only claims relating to diesel purchased within three years of the lodgement of the claim will be considered for rebate;

(b) provide for a consequential amendment to subsection 164(4A) to remove paragraph 164(4A)(e) which is now redundant due to new subsection 164(4AB) above;

(c) provide that where a successful claimant is to be paid rebate, the Collector must inform the claimant of the amount of the successful claim and the amount of the set-off; that is, where the 1% charge is to be set-off against the amount of the rebate payable, the applicant must be informed of both the rebate payable and the set-off.

(d) omit the subsections relating to how the amounts of rebate were previously calculated and substitute a new subsection 164(5) which provides that the rebate payable is to be worked out in accordance with new section 164AAB.

Clause 6 - Insertion of new section

7. This clause inserts a new section 164AAA as follows:

New section 164AAA - Payment of administration charge

8. New section 164AAA provides that where an applicant is successful in a claim for rebate then they must, within 30 days of being paid the rebate, pay to the Comptroller the administration charge calculated in accordance with the *Diesel Fuel*

(Customs Duty Rebate) Administration Charge Act 1993. This amount will normally be set-off against the rebate but where it is not, this provision makes it clear that the amount is still owing to the Commonwealth and may be recovered in a court of competent jurisdiction as a debt due to the Commonwealth.

Clause 7 - Insertion of new section

9. This clause inserts a new section 164AAB as follows:

New section 164AAB - Rebate rate

10. New 164AAB sets out the method of calculating the amount of rebate payable incorporating the reform of once yearly adjustments to take into account the indexation of duty rates.

11. The new provision operates by specifying the method of calculating the rate for applicants under paragraph 164(1)(aa) (primary production) and then providing that the mining rate (paragraph 164(1)(a)) and the 'other' rate (paragraphs 164(1)(b), (c) and (d)) is to be calculated by reference to the primary production rate.

12. The primary production rate is calculated by identifying the excise rate applicable to diesel fuel immediately prior to a rebate period as defined in subsection (1) (new subsection 164AAB(2) refers). Section 6A of the *Excise Tariff Act 1921* operates to increase the duty rates on excisable products (with the same increase flowing through to like customable products) according to the indexation figures published by the Commonwealth Statistician. These figures are published twice yearly, in February and August. The relevant rebate rate, however, is fixed according to the duty rate operating before the February indexation.

13. This figure is to be further modified by new subsection 164AAB(3) which takes into account increases in the duty rate of diesel fuel due to the effect of subsection 6AAA(6) of the *Excise Tariff Act 1921* and the flow on effect to the *Customs Tariff Act 1987* due to subsection 26(1) of that Act. These increases consist of two increases of one cent each which take effect for the February and August indexation periods in 1994. They take effect from 1 February 1994 and 1 August 1994 unless the provisions of subsection 6A(6) are invoked, in which case the increases will take effect from a day 5 days after the Commonwealth Statistician publishes the figures. These one cent increases in the duty rate are to be passed on to the claimants under the DFRS in six instalments of 1/6 of a cent each month (rounded off to 0.167 cents and 0.165 cents).

14. New subsection 164AAB(4) specifies the mining rate for rebate which is equal to the primary production rate reduced by 2.388 cents per litre. Similarly, new subsection 164AAB(5) specifies the 'other' rate for rebate which is equal to the primary production rate reduced by 7.057 cents per litre.

15. New subsection 164AAB(6) provides that where either or both of the one cent increases provided for in section 6AAA of the *Excise Tariff Act 1921* and section 26 of the *Customs Tariff Act 1987* do not take effect from 1 February 1994 and 1 August 1994 because their publication is delayed, then the increases in the rebate rates provided for in new subsection 164AAB(3) above will be delayed until the increases in the duty rates become effective.

Clause 8 - Diesel fuel rebate scheme set-offs

16. Paragraph 7(a) amends subsection 165A(1) of the Principal Act to provide that where a successful claimant under the DFRS is liable to pay to the Commonwealth an amount under the *Diesel Fuel (Customs Duty Rebate) Administration Charge Act 1993*, then the Comptroller may set off the amount owing against the amount of rebate to be paid.

17. Paragraph 7(b) provides for a minor technical amendment to ensure the correct reference to 'subsection 273GA(1).'

18. Paragraphs 7(c) and (d) effect minor amendments to subsection 165A(3) to ensure that where there is a request for review of a decision to repay rebate made under either subsection 164(2) or 165(3), pending determination by the Administrative Appeals Tribunal as to whether an amount of rebate should be repaid to the Commonwealth, there can be no set-off until the Tribunal has reached a decision (paragraph 7(c)) and then the amount of set-off must have regard to the decision of the Tribunal (paragraph 7(d)). This restriction does not apply to a decision to impose an administration fee under the *Diesel Fuel (Customs Duty Rebate) Administration Charge Act 1993*.

PART 3 - AMENDMENTS TO THE EXCISE ACT 1901

Clause 9 - Principal Act

19. This clause is a machinery provision which provides that in Part 3 of this Act the *Excise Act 1901* will be referred to as the Principal Act.

Clause 10 - Definitions

20. This clause amends section 4 of the Principal Act to amend the definition of 'manufacture' and to add definitions of 'beer', 'condensate' and 'liquid petroleum'.

21. The definition of 'manufacture' is amended to include the practice of providing to the public at particular premises, commercial facilities and equipment for use in the production of beer.

This amendment will ensure that such practices will now be controlled by the Principal Act and will attract the licensing and record-keeping obligations as well as making the product (ie. the beer) subject to duties of excise. This amendment is consistent with Government policy as it was always the intention of the Government to exempt only genuine home brewers of beer from the obligation to pay excise.

22. The definition of 'beer' is included in section 4 and omitted from section 77A to ensure that the definition applies to the Principal Act and the *Excise Tariff Act 1921* as a whole.

23. The definitions of 'condensate' and 'liquid petroleum' are intended to clarify that liquid petroleum for the purposes of Item 17 of the Schedule to the *Excise Tariff Act 1921* is only excisable when it is produced from gas wells, whereas condensate is to be excisable pursuant to Item 11 whether it is produced from gas wells or oil wells.

Clause 11 - Insertion of a new section

24. This clause inserts a new section 4AAA into the Principal Act to make clear that where a provision of the Principal Act could have an application that would exceed the Commonwealth's legislative power then this provision operates to preserve Parliament's intention that the provision of the Principal Act has an application that is within the Commonwealth's legislative power.

25. In some recent cases the High Court has construed legislation to have applications that it has found to be in excess of the Commonwealth's legislative powers. It has then found the provisions incapable of being read down, the result being that the provisions have been held invalid even in relation to classes of cases to which they could have validly applied if they had been limited to those classes. For example, in *Chu Kheng Lim v Minister for Immigration, Local Government and Ethnic Affairs* (1992) 110 ALR 97, a majority of the High Court held that a section providing that a court "is not to order the release from custody of a designated person" purported to apply, not only to lawful custody, but also to unlawful custody. The majority then proceeded to hold that the latter application was invalid and inseverable from the application of the section to lawful custody, and hence was wholly invalid. The proposed clause is intended to enable such legislation to be upheld to the extent of the circumstances to which it could validly apply if it were expressly limited to those circumstances.

Clause 12 - Liability to pay duty

26. Clause 12 amends section 54 of the Principal Act to specify that where the manufacture of beer involves the provision to the public at particular premises of

commercial facilities and equipment then only the provider of those facilities is to be liable for the excise duty on the beer.

- This will ensure that members of the public who have beer brewed at those premises will not be liable for excise duty on that beer.

Clause 13 - Definitions

27. This clause omits the definition of 'beer' from section 77A consequential upon its inclusion in section 4 of the Principal Act pursuant to clause 10.

Clause 14 - Insertion of new Part

28. This clause inserts a new Part VIIB into the Principal Act which introduces provisions dealing with blended petroleum products. The Government's intention is that where a petroleum product is blended with another product then the whole product is to be subject to the excise regime at a rate applicable to the whole volume.

Clause 14 implements this policy as follows:

New section 77G - Definitions

29. This section introduces definitions of several concepts integral to the new blending regime. It specifies that a blended petroleum product is the product of the blending of at least one petroleum product (as defined) with another substance or substances, whether or not they are also petroleum products. It also makes provision for blended petroleum products to be exempt from the blending regime because of quantity or by being prescribed in the regulations (new section 77J).

New section 77H - Blending to be treated as manufacture

30. This is a deeming provision which provides that petroleum blending to produce an excisable blended petroleum product is taken to constitute the manufacture of that product. It is considered that the notion of defining a substance to bring it within the confines of the Principal Act is acceptable in situations where the product would already be included in the scope of the definition of 'excise'. That is, there is no doubt that blending products is a step in the production of the blended product. An excise duty can be levied on the production of goods. Therefore it is considered acceptable to bring this step of production within the definition of manufacture to clarify the treatment of blended petroleum products for the purposes of the Principal Act.

New section 77J - Exempt blended petroleum products

31. This section specifies under what circumstances a blended petroleum product will be exempt from the new controls over blended petroleum products.

32. Those circumstances are when the blend is produced by someone who blends under certain specified limits; being 300 litres on any day (paragraph 77J(2)(a)), 600 litres in any continuous period of 30 days (paragraph 77J(2)(b)), or 3000 litres in any continuous period of 12 months (paragraph 77J(2)(c)). If a person has reached any of those limits then the person will be manufacturing excisable products and to do so without being properly licensed is an offence under the Principal Act. In determining

whether a particular licensed blender will need to have his or her licence renewed, only the blender's output in the preceding 12 months will be relevant (new subsection 77J(3)).

33. New subsection 77J(4) provides that in addition to using the volume of the blended product to determine whether or not it can be exempt from the new regime, the regulations can declare certain goods to be exempt irrespective of the volume produced.

34. This provision will enable present blending practices to continue where the blended product is used for a non-fuel purpose and would, if it were a fuel classified to Item 11 of the Schedule to the *Excise Tariff Act 1921*, be eligible for duty free entry under By-law.

35. New subsection 77J(5) provides that the volumes specified in subsection 77J(2) can be increased by regulation. This would have the effect of excluding a greater proportion of blended petroleum products from the new regime. Because it will result in the exclusion of blenders which would otherwise be caught by the new regime, it is considered appropriate to provide this regulation making facility.

New section 77K - Crude oil and condensate may attract more than one excise duty

36. This section provides that in cases where stabilised crude petroleum oil or condensate attracts duties of excise under item 17 of the Schedule to the *Excise Tariff Act 1921*, it can still attract additional duties of excise under Item 11 as amended by the *Excise Tariff Amendment Act (No. 2) 1993*.

Clause 15 - Remissions, rebates and refunds

37. This clause amends section 78 of the Principal Act to provide that where there is a remission, rebate or refund circumstance specified in regulations made for the purposes of section 78, then this entitlement extends to people who are liable to duty on stabilised crude oil or condensate by virtue of them being classified to paragraphs 11(H)(2) or 11(J)(2) respectively (new subsection 78(3)).

38. New subsections 78(4) and 78(5) provide that where a person would be liable to duty on stabilised crude or condensate by virtue of their being classified to paragraph 11(H)(2) or 11(J)(2) of the *Excise Tariff Act 1921*, but the oil or condensate has been produced or distributed for use otherwise than as a fuel for an

internal combustion engine, then the person is entitled to a remission of duty (new subsection 78(4)). The amount of remission is calculated in accordance with subsection (5), which provides that if the use for which the petroleum product has been produced or distributed is a non-fuel use then the remission will be 100% of the duty that would otherwise be payable, and if the substituted use is as fuel oil, heating oil, lighting kerosene or power kerosene, then the amount of remission is worked out on the basis that the correct duty payable is that applicable to those products (ie. currently 8.512 cents per litre and not the diesel rate of 29.573 cents per litre). Therefore the remission will be 21.061 cents per litre.

Clause 16 - Insertion of new section

39. This clause inserts a new section 78AAAA which provides for payments to certain naphtha producers upon the production of naphtha from shale mined in Australia, where the payment is worked out according to the amount of excise duty that would be payable on the volume of unleaded gasoline produced from that quantity of naphtha.

- It should be noted that the nature of the payments would be in the form of a bounty paid upon the production of naphtha from shale mined in Australia.

New section 78AAAA - Payments to certain naphtha producers

40. New section 78AAAA provides for payments as outlined above, provided the naphtha is produced after the commencement of this section and before 31 December 2005 and that the naphtha is produced from a plant that is approved by the Minister for Primary Industries and Energy (new subsection 78AAAA(2)).

- The approval of the Minister will be granted for plants utilising the application of innovative process technology based on a rotary kiln designed to process oil shale provided that the technology can be scaled up to operate at commercial levels.

41. There is to be a legislative 'ceiling' on payments under this provision. The payment is only available up to a maximum of 600,000 barrels (or 95,392.2 kilolitres) produced each year. It is proposed to utilise the regulations to prescribe much of the administrative detail surrounding the payments, including the manner of working out the volume of gasoline that can be obtained from a volume of naphtha, the manner of applying to the Comptroller for a payment and the conditions and restrictions to which a payment will be subject.

42. New subsection 78AAAA(5) inserts a standard bounty uniformity provision which states that powers conferred by this section must not be exercised in such a manner that payments to naphtha producers under this section would not be uniform within the bounty-making power of the Constitution.

Clause 17 - Rebate of duty in respect of diesel fuel used for certain purposes

43. This clause amends section 78A of the Principal Act to:

- (a) introduce a three year limit on the lodgement of rebate claims (new subsection 78A(4AB)). That is, only claims relating to diesel purchased within three years of the lodgement of the claim will be considered for rebate;
- (b) provide for a consequential amendment to subsection 78A(4A) to remove paragraph 78A(4A)(e) which is now redundant due to new subsection 78A(4AB) above;
- (c) provide that where a successful claimant is to be paid rebate, the Collector must inform the claimant of the amount of the successful claim and the amount of the set-off. That is, where the 1% charge is to be set-off against the amount of the rebate payable, the applicant must be informed of both the rebate payable and the set-off.
- (d) omit the subsections relating to how the amounts of rebate were calculated and substitute new subsection 78A(5) which provides that the rebate payable is to be worked out in accordance with new 78AAB.

Clause 18 - Insertion of new section

44. This clause inserts a new section 78AAA as follows:

New section 78AAA - Payment of administration charge

45. New section 78AAA provides that where an applicant is successful in a claim for rebate then they must, within 30 days of being paid the rebate, pay to the Comptroller the administration charge calculated in accordance with the *Diesel Fuel (Excise Duty Rebate) Administration Charge Act 1993*. This amount will normally be set-off against the rebate but where it is not, this provision makes it clear that the amount is still owing to the Commonwealth and may be recovered in a court of competent jurisdiction as a debt due to the Commonwealth.

Clause 19 - Insertion of new section

46. This clause inserts a new section 78AAB as follows:

New section 78AAB - Rebate rate

47. New section 78AAB sets out the method of calculating the amount of rebate payable incorporating the reform of once yearly adjustments to take into account the indexation of duty rates.

48. The new provision operates by specifying the method of calculating the rate for applicants under paragraph 78A(1)(aa) (primary production) and then providing that

the mining rate (paragraph 78A(1)(a)) and the 'other' rate (paragraphs 78A(1)(b), (c) and (d)) is to be calculated by reference to the primary production rate.

49. The primary production rate is calculated by identifying the excise rate applicable to diesel fuel immediately prior to a rebate period as defined in subsection (1) (new subsection 78AAB(2) refers). Section 6A of the *Excise Tariff Act 1921* operates to increase the duty rates on excisable products (with the same increase flowing through to like customable products) according to the indexation figures published by the Commonwealth Statistician. These figures are published twice yearly, in February and August. The relevant rebate rate, however, is fixed according to the duty rate operating before the February indexation.

50. This figure is to be further modified by new subsection 78AAB(3) which takes into account increases in the duty rate of diesel due to the effect of subsection 6AAA(6) of the *Excise Tariff Act 1921*. These increases consist of two increases of one cent each which take effect for the February and August indexation periods in 1994. They take effect from 1 February 1994 and 1 August 1994 unless the provisions of subsection 6A(6) of the *Excise Tariff Act 1921* are invoked, in which case the increases will take effect from a day 5 days after the Commonwealth Statistician publishes the figures. These one cent increases in the duty rate are to be passed on to the claimants under the DFRS in six instalments of 1/6 of a cent each month (rounded off to 0.167 cents and 0.165 cents).

51. New subsection 78AAB(4) specifies the mining rate for rebate which is equal to the primary production rate reduced by 2.388 cents per litre. Similarly, new subsection 78AAB(5) specifies the 'other' rate for rebate which is equal to the primary production rate reduced by 7.057 cents per litre.

52. New subsection 164AAB(6) provides that where either or both of the one cent increases provided for in section 6AAA of the *Excise Tariff Act 1921* do not take effect from 1 February 1994 and 1 August 1994 because their publication is delayed, then the increases in the rebate rates provided for in new subsection 78AAB(3) above will be delayed until the increases in the duty rates become effective.

Clause 20 - Diesel fuel rebate scheme set-offs

53. Paragraph 18(a) amends subsection 80A(1) of the Principal Act to provide that where a successful claimant under the DFRS is liable to pay to the Commonwealth an amount under the *Diesel Fuel (Excise Duty Rebate) Administration Charge Act 1993*, then the Comptroller may set off the amount owing against the amount of rebate to be paid.

54. Paragraph 18(b) provides for a minor technical amendment to ensure the correct reference to 'subsection 273GA(1).'

55. Paragraphs 18(c) and (d) effect minor amendments to subsection 80A(3) to ensure that where there is a request for review of a decision to repay rebate made

under either subsection 78A(2) or 80(2), pending determination by the Administrative Appeals Tribunal as to whether an amount of rebate should be repaid to the Commonwealth, there can be no set-off until the Tribunal has reached a decision (paragraph 18(c)) and then the amount of set-off must have regard to the decision of the Tribunal (paragraph 18(d)). This restriction does not apply to a decision to an administration fee under the *Diesel Fuel (Excise Duty Rebate) Administration Charge Act 1993*.

Clause 21 - Insertion of new section

56 This clause introduces a new section 80B into the Principal Act as follows:

New section 80B - Extension of diesel fuel rebate scheme in certain circumstances

57. New section 80B of the Principal Act extends the diesel fuel rebate scheme to all petroleum products that are excisable at the duty rate applicable to diesel fuel. This will include both blended petroleum products that do not have as part of their constituents goods referred to in paragraph 11(A)(3) or 11(C)(2) of the Schedule to the *Excise Tariff Act 1921* and crude oil classified to paragraph 11(H)(2) of the Schedule. If such products are used for an eligible purpose for the purposes of section 78A then they will be eligible for rebate.

