

ARTHUR ROBINSON & HEDDERWICKS
LIBRARY

1992

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

COAL TARIFF LEGISLATION AMENDMENT BILL 1992

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Industry,
Technology and Commerce, Senator the Honourable John N. Button)

COAL TARIFF LEGISLATION AMENDMENT BILL 1992

OUTLINE

This Bill is part of the Government's coal industry reform package announced on 2 December 1991.

The Bill proposes to repeal the Customs Tariff (Coal Export Duty) Act 1975 and amend the Excise Tariff Act 1921 in response to the Government's decision that the industry take responsibility for its own research efforts and that long service leave arrangements be transferred from a Government imposed scheme to an industry funded and managed scheme. In particular, the Bill:

- . abolishes coal export Customs duty on and from 1 July 1992 (Clause 3 refers);
- . removes the coal research and development component of the excise duty on coal, from a date to be proclaimed (subclause 5(1) refers); and
- . removes the long service leave component of the excise duty on coal, again from a date to be proclaimed (subclause 5(2) refers).

Financial Impact Statement

- i) The estimated loss to revenue from the abolition of the Customs Tariff (Coal Export Duty Act) 1975 is \$44.8m in 1992-93 and \$40.5m in 1993-94.
- ii) The estimated loss to revenue from the removal of the coal research and development component of the excise duty on coal will be in the order of \$7.9m per year, based on revenue recovered from that excise for the financial year 1990-91.
- iii) The estimated loss to revenue from the abolition of the long service leave component of the excise duty on coal will be in the order \$31.4m per year, based on revenue recovered from that excise for the financial year 1990-91.

COAL TARIFF LEGISLATION AMENDMENT BILL 1992NOTES ON CLAUSESShort title

Clause 1 provides for the Act to be cited as the Coal Tariff Legislation Amendment Act 1992.

Commencement

Clause 2 provides for the Act to commence on the following days:

Subclause (1) provides for the Royal Assent commencement of the Short Title and Excise Tariff Act citation provisions;

Subclause (2) provides that the repeal of the Customs Tariff (Coal Export Duty) Act 1975 takes effect from 1 July 1992;

Subclause (3) provides for the Proclamation commencement of both the removal of the coal research and development portion of the excise levy on coal, and the removal of the long service leave portion of that excise.

- . The provision associated with the removal of the research and development excise levy (subclause 5(1)) is to commence by Proclamation to enable administrative arrangements regarding the transfer of coal R & D to be put into place and to enable assets held by the Commonwealth in relation to coal research to be transferred in a coordinated manner to the coal industry.
- . The provision associated with the removal of excise funding arrangements for long service leave (subclause 5(2)) is to commence by Proclamation so that the various State Parliaments have an opportunity to pass consequential legislation winding up the old long service leave funding scheme.

It is considered the above matters may extend beyond the end of 1992, and for these reasons the above Proclamation commencements are made subject to a deemed commencement on the first day after a period of 12 months from Royal Assent, rather than the standard 6 month "sunset" provision (subclause (4) refers),

PART 2 - REPEAL OF THE CUSTOMS TARIFF (COAL EXPORT DUTY)
ACT 1975

Clause 3 repeals the Customs Tariff (Coal Export Duty) Act 1975 (subclause (1)) subject to certain standard transitional arrangements for:

- coal loaded onto a ship before 1 July 1992 for export from Australia (paragraph 3(2)(a)); or
- coal loaded onto a ship on or after 1 July 1992 for export from Australia as part of a consignment of coal for export the loading of which commenced before 1 July 1992 (paragraph 3(2)(b)).

In the above two circumstances, the coal exported would continue to be dutiable under the "Coal Export Duty" Act.

PART 3 - AMENDMENTS OF THE EXCISE TARIFF ACT 1921

Principal Act

Clause 4 identifies the Excise Tariff Act 1921 as the Principal Act being amended by this Part.

Amendments of Schedule to Principal Act

Clause 5 amends item 20 of the Schedule to the Act (the item relating to coal), to:

- remove the coal research and development component of the excise duty on coal by reducing the duty rate from "0.25 per tonne" to "0.20 per tonne" (subclause 5(1)); and
- remove the long service leave component of the excise duty on coal by reducing the duty rate from "0.20 per tonne" to "Free" (subclause 5(2)).

