

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

LIQUEFIED PETROLEUM GAS (GRANTS) AMENDMENT BILL 1985

EXPLANATORY MEMORANDUM

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

## LIQUEFIED PETROLEUM-GAS (GRANTS) AMENDMENT BILL 1985

### OUTLINE

The purpose of this Bill is to amend the Liquefied Petroleum Gas (Grants) Act 1980 to terminate the operation of the subsidy schemes under that Act on and from 1 October 1985.

The Bill gives effect to the Government's decision announced by the Treasurer on 14 May 1985.

The subsidy was introduced for a three year period from 1980 and later extended in a modified form to alleviate the impact of the sharp increases in the price of LPG at that time and allow consumers time to adjust to changing price trends for LPG. In the longer term consumers would have the opportunity to convert to more readily available alternative fuels such as natural gas and electricity. The Government's decision to abolish the subsidy is therefore consistent with the original intention of the subsidy to provide temporary relief to those consumers facing hardship from rising prices for LPG.

Clause 5 provides for the termination of the subsidy schemes on or after 1 October 1985 and ensures that no further payments are required to be made under the Principal Act or the schemes on or after 1 October 1985.

### Financial Impact Statement

The abolition of the subsidy on and from 1 October 1985 is expected to save the Government about \$3.5 million during the remainder of the 1985/86 Financial Year. This saving would have amounted to an approximate \$6.8 million in the full 1985/86 Financial Year.

NOTES ON CLAUSESShort Title

Clause 1 Is a formal machinery clause.

Commencement

Clause 2 Provides for the Act to come into operation on 1 October 1985. The Government's decision to abolish the subsidy on and after that day was announced by the Treasurer on 14 May 1985.

Interpretation

Clause 3 Amends the definition of the "period to which the Act applies" in section 3 of the Principal Act to terminate the operation of the Act on 30 September 1985.

Consequential amendments

Clause 4 Creates a Schedule of consequential amendments to the Principal Act.

Termination of schemes, etc

Clause 5 Provides for the schemes made in pursuance of the Principal Act to be revoked on and from 1 October 1985 (sub-clause (1)).

Sub-clause (2) provides that no payments are required to be made by a State to a person on or after 1 October 1985 in respect of:

- (a) Liquefied Petroleum Gas (LPG) sold by the person on or after 1 October 1985; or
- (b) LPG or naphtha delivered to the person on or after 1 October 1985.

Sub-clause (3) provides that no payments are required to be made by the Commonwealth to a State on or after 1 October 1985 equal to amounts paid by the State to a person in respect of;

- (a) LPG sold by the person on or after 1 October 1985; or
- (b) LPG or naphtha delivered to the person on or after 1 October 1985.

Sub-clause (4) provides that on and after 1 October 1985 the Commonwealth is not liable to indemnify a State for damages or costs incurred by a State arising out of an Act or thing done or omitted to be done by the State in relation to the subsidy after that date.

Schedule

Makes a number of consequential amendments to the Principal Act to remove or amend provisions that are now redundant in view of the termination of the Principal Act and schemes on and from 1 October 1985.