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HOUSE OF REPRESENTATIVES

**DIESEL FUEL (EXCISE DUTY REBATE) ADMINISTRATION CHARGE
BILL 1993**

EXPLANATORY MEMORANDUM

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



DIESEL FUEL (EXCISE DUTY REBATE) ADMINISTRATION CHARGE BILL
1993

OUTLINE

This Bill is one of a package of Bills proposing amendments to the Diesel Fuel Rebate Scheme (DFRS) to address the escalating costs of that scheme. This Bill together with the Diesel Fuel (Customs Duty Rebate) Administration Charge Bill 1993 and the Customs and Excise Legislation Amendment Bill 1993 propose a number of amendments to address those escalating costs. The package of amendments include the following:

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

adjusting the rebate rate for indexation only once a year; and

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

This particular Bill deals with the first of those points; that is, the imposition of an administration charge on certain applications for rebate of excise duty paid in respect of diesel fuel. The charge or fee is based upon the Government attempting to recoup the costs of administering the DFRS. Approximately \$1,000m is anticipated to be rebated under the DFRS in 1993-94 and the cost of administering the scheme is anticipated to be approximately \$11m, which is slightly in excess of 1% of the amount rebated.

It is considered that the Bill is, for Constitutional purposes, a taxing Bill and therefore requires inclusion in a separate Bill.

Financial Impact Statement

This Bill together with the Diesel Fuel (Customs Duty Rebate) Administration Charge Bill 1993, is anticipated to result in the following additional revenue collections:

\$5 million in financial year 1993-94;
\$11.7 million in financial year 1994-95; and
\$12.6 million in financial year 1995-96.

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NOTES ON CLAUSES

Clause 1 - Short title

1. This is a machinery clause which provides for the Act to be cited as the *Diesel Fuel (Excise Duty Rebate) Administration Charge Act 1993*.

Clause 2 - Commencement

2. This clause provides that the Act commences on 1 January 1994.

Clause 3 - Definitions

3. This clause defines the terms "administration charge" and "rebate" for the purposes of the Act. In particular the definition of "rebate" is intended to make clear that the administration charge imposed by the Act is imposed by reference to applications for the rebate of *excise* duty as opposed to customs duty.

Clause 4 - Act to be read with this Act

4. This clause requires the *Excise Act 1901* to be read as one with this Act to facilitate statutory interpretation and as a recognition that this Act is closely related in its operation with various provisions of the *Excise Act 1901*.

Clause 5 - Act to bind Crown

5. This clause is intended to ensure that **all** claimants for rebate are required to pay the administration charge, regardless of whether they are a private individual, a Commonwealth or State Government Department, or a Government Business Enterprise or utility.

Clause 6 - Imposition of administration charge

6. This clause provides that the administration charge payable in respect of the processing of an application for rebate is imposed on persons who apply successfully for rebate on or after 1 January 1994.

Clause 7 - Rate of administration charge

This clause sets the rate of the administration charge referred to in clause 6 at an amount equal to 1% of the amount of rebate payable to the person under the application in question.