

1983

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

STATES GRANTS (PETROLEUM PRODUCTS) AMENDMENT
BILL 1983

EXPLANATORY MEMORANDUM

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

OUTLINE

The States Grants (Petroleum Products) Amendment Bill 1983 proposes to amend the States Grants (Petroleum Products) Act 1965 to:

- (i) cease payment of freight subsidy on power kerosene;
- (ii) introduce an element of delivery to require applicants to actually deliver the product to the place in respect of which subsidy is claimed;
- (iii) provide authority to pay subsidy on the freight of eligible petroleum products to places which are not specified in the schedule to the schemes; and
- (iv) place the Northern Territory on the same basis as a State. At present, the petroleum products freight subsidy scheme operates in the Northern Territory under a separate Northern Territory enactment. When the Northern Territory legislation is brought into line with the complementary State legislation, the corresponding amendments to the Commonwealth legislation contained in this bill will be proclaimed;

The amendments, with the exception of those specific to the Northern Territory, are to take effect from 1 January 1984.

NOTES ON CLAUSES

- Clause 1 : Citation of Amendment Act and identification of States Grants (Petroleum Products) Act 1965 as the Principal Act.
- Clause 2 : Commencement date, with the exception of clause 3 and sub-clause 4(2), to be 1 January 1984. Clauses 3 and 4(2) to commence on a date to be fixed by Proclamation.
- Clause 3 : Amends the title of the Principal Act to include the Northern Territory.
- Clause 4 : Amends section 2 of the Principal Act to remove power kerosene from the definition of "eligible petroleum product"; and
 inserts a new sub-section 2(2) to provide that for the purposes of the Principal Act, a reference to a State shall include a reference to the Northern Territory.
- Clause 5 : As a consequence of the removal of the subsidy on power kerosene proposed by clause 4, amends section 5 of the Principal Act to remove the reference to that product in sub-section 5(2);
 amends paragraph 5(5)(a) of the Principal Act to insert a requirement that eligible petroleum products are to be delivered to places to which the scheme applies. The Act at present only requires that the product be sold; and
 inserts a new sub-section 5(7) to provide that the scheme may make provision for the determination of rates of subsidy where the place to which the eligible petroleum product was delivered is not specified in the schedule to the scheme. The Petroleum Products Pricing Authority sets the freight differentials which are then used to calculate subsidy rates for places in the schedule. Freight differentials are not set for every place in Australia and therefore for places not specified in the schedule and to which a subsidy sale occurs, this provision thus will enable the rate to be based upon the rate of the nearest place to which the sale occurs. It will also allow a rate of subsidy to be set for remote farms and isolated communities where the rate of subsidy for the nearest place may not be appropriate.

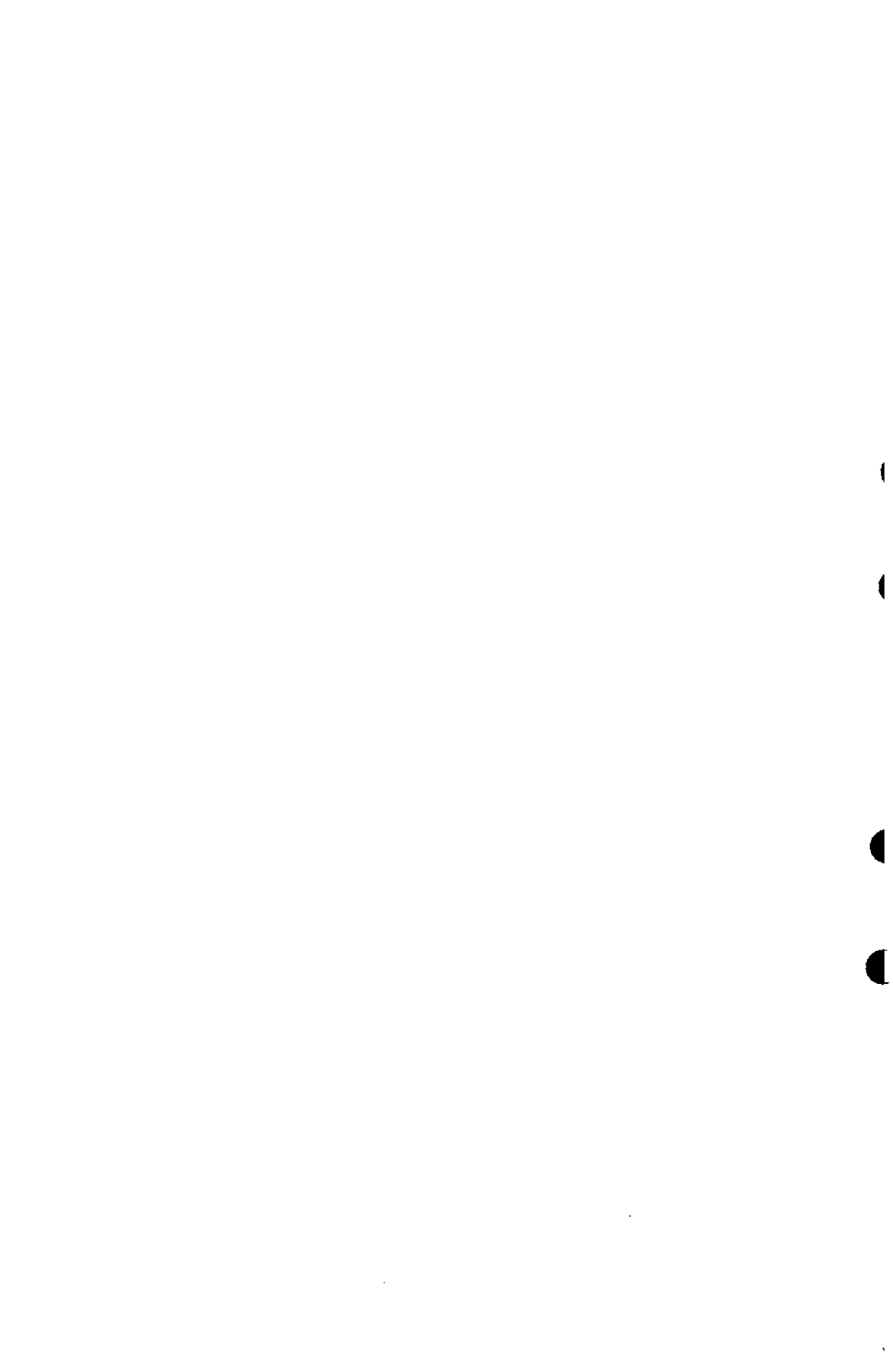
Clause 6 : Formal.

Clause 7 : Formal.

Clause 8 : Formal.

Clause 9 : Formal.

Clause 10: Ensures that subsidy will not be paid on power kerosene in the Northern Territory after 1 January 1984, notwithstanding anything contained in the Petroleum Products Subsidy Act (NT).



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