



Excise Tariff Amendment (Crude Oil) Act 2001

No. 164, 2001



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**An Act to amend the *Excise Tariff Act 1921*, and for
related purposes**

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An Act to amend the *Excise Tariff Act 1921*, and for related purposes

[Assented to 1 October 2001]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Excise Tariff Amendment (Crude Oil) Act 2001*.

2 Commencement

- (1) Subject to subsection (2), this Act commences on the day on which it receives the Royal Assent.

(2) Items 2 to 22 and item 24 of Schedule 1 to this Act are taken to have commenced on 1 July 2001.

3 Schedule(s)

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendment of the Excise Tariff Act 1921

Part 1—Amendments relating to excise duty applicable to certain crude oil

1 Subsection 3(3)

Omit “or 6D”, substitute “, 6D or 6E”.

2 Section 6AA

Repeal the section.

3 Subsection 6B(1) (definition of *adjusted previous year’s duty*)

Omit “relevant oil”, substitute “old oil”.

4 Subsection 6B(1) (definition of *non-adjusted previous year’s duty*)

Omit “relevant oil”, substitute “old oil”.

5 Subsection 6B(1)

Insert:

old oil means stabilised crude petroleum oil in respect of which subparagraph 17(A)(2)(b) in the Schedule applies.

6 Subsection 6B(1) (definition of *relevant oil*)

Repeal the definition.

7 Subsection 6B(1) (definition of *threshold price*)

Repeal the definition.

8 Subsection 6B(1) (definition of *threshold quantity*)

Repeal the definition.

9 Subsection 6B(1) (definition of *variable percentage*)

Repeal the definition.

10 Subsection 6B(2)

Omit “relevant oil”, substitute “old oil”.

11 Subsection 6B(3)

Repeal the subsection, substitute:

The amount of duty

Subject to subsection (3A), the amount of duty in respect of old oil produced from a prescribed production area and entered for home consumption during a month of a financial year commencing on or after 1 July 2001 is the amount worked out using the formula:

$$\text{Notional duty} + \text{Debited adjustment amount} - \left[\text{Duty paid} + \text{Credited adjustment amount} \right]$$

where:

credited adjustment amount is the credited adjustment amount (if any) for that area and that month, worked out in accordance with subsection (5C).

debited adjustment amount is the debited adjustment amount (if any) for that area and that month, worked out in accordance with subsection (5B).

duty paid is the amount of duty (if any) paid in respect of old oil produced from that area and entered for home consumption during the period starting at the start of that financial year and ending at the end of that month.

notional duty is the amount of notional duty in respect of old oil produced from that area and entered for home consumption during the period starting at the start of that financial year and ending at the end of that month, worked out in accordance with subsection (4).

12 Subsection 6B(3A)

Omit “relevant oil”, substitute “old oil”.

13 Subsection 6B(4)

Omit “relevant oil”, substitute “old oil”.

14 Paragraphs 6B(4)(a), (b), (c), (d), (e) and (f)

Repeal the paragraphs, substitute:

- (a) the quantity (if any) of the oil that exceeds $A \times 4B$ but does not exceed $A \times 6B$; and
- (b) the quantity (if any) of the oil that exceeds $A \times 6B$ but does not exceed $A \times 8B$; and
- (c) the quantity (if any) of the oil that exceeds $A \times 8B$ but does not exceed $A \times 10B$; and
- (d) the quantity (if any) of the oil that exceeds $A \times 10B$ but does not exceed $A \times 12B$; and
- (e) the quantity (if any) of the oil that exceeds $A \times 12B$;

15 Subsections 6B(5A), (5AB) and (5AC)

Repeal the subsections.

16 Subsection 6B(6)

Omit “relevant oil” (wherever occurring), substitute “old oil”.

17 Paragraphs 6B(7)(a), (b), (c), (d), (e) and (f)

Repeal the paragraphs, substitute:

- (a) in the case of a quantity to which paragraph 4(a) applies—20%; and
- (b) in the case of a quantity to which paragraph 4(b) applies—30%; and
- (c) in the case of a quantity to which paragraph 4(c) applies—40%; and
- (d) in the case of a quantity to which paragraph 4(d) applies—50%; and
- (e) in the case of a quantity to which paragraph 4(e) applies—55%.

18 Subsection 6B(8)

Omit “subsections (5), (5A) and (6)”, substitute “subsections (5) and (6)”.

19 Subsection 6B(9)

Omit “relevant oil” (wherever occurring), substitute “old oil”.

20 Subsection 6B(9A)

Repeal the subsection.

Note: The heading to section 6B is altered by omitting “**certain crude petroleum oil**” and substituting “**old oil**”.

21 Subsection 6C(3)

Omit “1 July 1997”, substitute “1 July 2001”.

22 Paragraphs 6C(7)(a), (b), (c) and (d)

Repeal the paragraphs, substitute:

- (a) in the case of a quantity to which paragraph 4(a) applies—
10%; and
- (b) in the case of a quantity to which paragraph 4(b) applies—
15%; and
- (c) in the case of a quantity to which paragraph 4(c) applies—
20%; and
- (d) in the case of a quantity to which paragraph 4(d) applies—
30%.

23 Section 6E

Repeal the section, substitute:

6E Delayed-entry oil rate

- (1) In this section:

applicable petroleum price has the same meaning as it has for the purposes of section 6AB.

- (2) For the purposes of this Act, the delayed-entry oil rate that applies to delayed-entry oil from a particular prescribed source is the amount per kilolitre ascertained in accordance with the formula:

$$\frac{T \times U}{W}$$

where:

T is the applicable petroleum price in relation to the month in which the operative day for that delayed-entry oil occurs and to the production area constituting that prescribed source if the oil had

continued to be covered by section 6B, 6C or 6D, whichever is applicable, on and after the operative day.

U is the number of dollars, calculated to 2 decimal places, in the amount of the duties of Excise paid in respect of the crude petroleum oil produced from that source that was entered for home consumption during the pre-operative year for that source.

W is:

- (a) if the applicable petroleum price was the same in relation to all months of the pre-operative year and to the production area that is the prescribed source from which the oil was produced—the product of the number of kilolitres of the stabilised crude petroleum oil produced from that source that was entered for home consumption during that pre-operative year and the number of dollars, calculated to 2 decimal places, in the amount specified in the applicable petroleum price; or
- (b) if the applicable petroleum price was not the same in relation to all months of the pre-operative year and to that production area—the number ascertained by:
 - (i) working out, in respect of each applicable petroleum price in operation in relation to a month or months of that pre-operative year and to that production area, the product of the number of dollars, calculated to 2 decimal places, in the amount specified in the applicable petroleum price and the number of kilolitres of the crude petroleum oil produced from that prescribed source that was entered for home consumption during that month or those months; and
 - (ii) adding the products calculated under subparagraph (i).

24 Saving provision

- (1) Sections 6AA, 6B and 6C of the *Excise Tariff Act 1921*, as in force immediately before the commencement day, continue to apply in relation to relevant oil produced from a prescribed production area and new oil produced from a prescribed new production area that is entered for home consumption during a month of a financial year ending before that day.
- (2) In this item:

Schedule 1 Amendment of the Excise Tariff Act 1921

Part 1 Amendments relating to excise duty applicable to certain crude oil

commencement day means 1 July 2001.

new oil has the same meaning as in subsection 3(1) of the *Excise Tariff Act 1921* as in force immediately before the commencement day.

prescribed new production area has the same meaning as in subsection 6C(1) of the *Excise Tariff Act 1921* as in force immediately before the commencement day.

prescribed production area and ***relevant oil*** have the same meanings as in subsection 6B(1) of the *Excise Tariff Act 1921* as in force immediately before the commencement day.

Part 2—Minor technical amendments

25 Subsection 3(1) (definition of *intermediate area*)

Omit “Minister for Primary Industries and Energy”, substitute “Minister for Industry, Science and Resources”.

26 Subsection 3A(1)

Omit “Minister for Primary Industries and Energy”, substitute “Minister for Industry, Science and Resources”.

*[Minister’s second reading speech made in—
House of Representatives on 30 August 2001
Senate on 20 September 2001]*

(179/01)