

AUSTRALIAN CAPITAL TERRITORY

SUBSIDIES (LIQUOR AND DIESEL) ACT 1998

INSTRUMENT TO SET THE RATE OF SUBSIDY FOR DIESEL PRODUCTS AND LOW-ALCOHOL LIQUOR AND OTHER RELATED MATTERS

NO. 235 OF 1998

EXPLANATORY STATEMENT

The *Subsidies (Liquor and Diesel) Act 1998* provides a legislative framework for the payment of subsidies with respect to low-alcohol liquor to ACT licensees, and the supply of diesel for primary production and to pensioners for home heating in the ACT.

Subsections 3(1), 5(1) and 26(1) of the Act empower the Minister to determine

- the maximum percentage of ethyl alcohol contained in a beverage for that beverage to be defined as “low-alcohol liquor”, and
- the rate at which and method by which low-alcohol liquor and diesel subsidies are to be calculated for the purposes of the Act.

This determination revokes Determination No. 187 of 1998 notified in the Australian Capital Territory in Gazette No. 31 on 5 August 1998 and sets the maximum percentage of ethyl alcohol for low-alcohol liquor products at

- 3.5% by volume of ethyl alcohol for liquor other than wine of the grape, and
- 6.5% by volume of ethyl alcohol for wine of the grape.

This determination also sets the amount of subsidy paid to registered liquor suppliers in relation to the sale by the supplier of low-alcohol liquor to an ACT licensee, to be an amount equal to the prevailing Commonwealth wholesale sales tax surcharge paid in respect of that liquor.

Additionally, this determination sets the amount of subsidy paid to registered diesel suppliers in relation to the sale by the supplier of diesel to ACT certified diesel users to be 8.149 cents per litre.

The previous determination is being replaced by the new determination to correct a technical error whereby subsection 3 (2) of the Act was incorrectly referred to as the authority to make the determination relating to the maximum percentage of ethyl alcohol for low-alcohol liquor products. The maximum percentage and all subsidy amounts prescribed in the previous determination remain unchanged.

Authorised by the Acting Chief Minister and Treasurer.