

2001

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

LOW-ALCOHOL LIQUOR SUBSIDIES AMENDMENT BILL 2001

EXPLANATORY MEMORANDUM

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Gary Humphries MLA

Low-alcohol Liquor Subsidies Amendment Bill 2001

Summary

This is a Bill to amend the *Low-alcohol Liquor Subsidies Act 2000* (the Act).

The Act provides a legislative framework for the payment of subsidies in relation to wholesale sales of low alcohol beer and wine between 1 September 2000 and 30 June 2001, to ensure that consumers pay lower taxes for these products than for full strength products. However the Act expires on 1 July 2001 because it was anticipated that a national excise concession scheme for low alcohol beer would be in operation by that date.

As work has yet to commence on the national scheme, this Bill amends the Act to allow it to operate after 30 June 2001 by removing the expiration date and providing for the payment of subsidies after 30 June 2001.

Because it is not known when the national scheme will commence, the amendment also allows for the date for subsidies to cease to be set by regulation to prevent the possibility of the two schemes operating concurrently.

Revenue/Cost Implications

The estimated cost of continuing the subsidy for 12 months after 30 June 2001 is expected to be approximately \$1 million. However, depending on the date of introduction of the new Commonwealth scheme, its nature and any pending implications, costs may be reduced.

Details of the Bill are attached.



Details of the Low-alcohol Liquor Subsidies Amendment Bill 2001

Clauses 1, 2 and 3 are formal requirements. They refer to the title of the Act, the commencement date of the Act, and the *Low-alcohol Liquor Subsidies Act 2000* as the Act being amended. The Act commences on the day on which it is notified in the Gazette.

Clause 4 – is a substitution for section 5, **Operation of Act**. The substitution clause allows subsidies to be paid in relation to sales which occur after 30 June 2001 until a date to be prescribed under the regulations. It further extends the operation of the Act to the day after the above-mentioned prescribed date and amends the explanatory Note to take account of the changed provisions of the clause.

Clause 5 – is an omission of incorrect references to the *Subsidies (Liquor and Diesel) Repeal Act 2000* in the Notes following sections 10 and 14, and a substitution of the correct references.

Clause 6 – omits incorrect references to the “chief executive” and substitutes “commissioner” to allow the Commissioner for ACT Revenue the power to issue identity cards to subsidy officers, who have inspectorial powers to carry out compliance activities.

Clause 7 – is an omission of an incorrect reference to the *Subsidies (Liquor and Diesel) Repeal Act 2000* in the Note following section 28 (3), and a substitution of the correct reference.

