

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

INSTRUMENT NO. 34 OF 1999

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. 235 of 1998 notified in the Australian Capital Territory Gazette No. 45 on 11 November 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.

The previous determination, which set a diesel subsidy rate of 8.149 cents per litre, is being replaced by the new determination to set a diesel subsidy rate of 8.206 cents per litre and will apply on 2 February 1999 and thereafter. This rate reflects the new Commonwealth excise rate which is a result of CPI indexation and applies on 2 February 1999 and thereafter. Claimants will be advised that subsidies claimed for February 1999 should reflect the new rate and that the rate applies on 2 February 1999 and thereafter.

All other subsidy amounts prescribed in the previous determination remain unchanged.

In particular the subsidy rate for low alcohol will remain at 15% of the Commonwealth wholesale tax rate.

Authorised by the Chief Minister and Treasurer.