

# **EXCISE TARIFF ACT (FUEL EXCISE REDUCTION) AMENDMENT BILL 2023**

## **Explanatory Memorandum & Statement Of Compatibility With Human Rights & Second Reading Speech**

### **OUTLINE**

This Bill makes adjustments to the principal Act, whereby it changes the amount dutiable of the items listed, thus both increasing and reducing certain petroleum products and the subsequent amount of fuel excise tax paid.

### **NOTES ON PROVISIONS**

**Clause 1 of Schedule 1:** Amends the fuel excise duties in Item 10 of the table. It reduces the cost on more common fuels, while increasing the excise on primarily exports and older forms of fuel.

**Clause 2 of Schedule 1:** Halves excise on blended goods.

**Clause 3 of Schedule 1:** Sets out long term provisions for denatured ethanol fuels to ensure that, as the usage of these fuel increase, excise will still be collected. Reduces the rate of the increase in exercise to make it more gradual.

**Clause 4 of Schedule 1:** Sets out long term provisions for biodiesel to ensure that, as the usage of these fuel increase, excise will still be collected. Reduces the rate of the increase in exercise to make it more gradual.

### **FINANCIAL IMPACT**

Nil.

### **STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS**

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011.

This bill is compatible with human rights and freedoms recognised or declared in the international instruments listed in section 3 of the Human Rights (Parliamentary Scrutiny) Act 2011.

### **HUMAN RIGHTS IMPLICATIONS**

This Bill does not engage any of the applicable rights or freedoms.

### **Conclusion**

This bill is compatible with human rights because it does not otherwise raise any human rights issues.

**The Hon. GenericCerealHere AK AC OAM MP**

## **SECOND READING SPEECH**

Speaker,

Most people are well aware by now that fuel prices have begun to soar uncontrollably in the last year, with highs of \$2.10 in some states just for Unleaded 91 petroleum. For the majority of the country, bar Perth, fuel cycles are no longer weekly but monthly, with highs lasting weeks on end with only a couple of days separating the lowest and highest ends of the cycle.

Whilst the last year saw some of the cheapest fuel prices in the last decade, fuel is once again slowly starting to rise as demand increases and supply remains the same. Fuel is now knocking on the door of \$1.70 a litre for E10 fuel, which is simply unaffordable for Australians especially those who are under pressure after the cost of living crisis.

Mr Speaker, this isn't the first time that fuel prices have been unbearably high. Last year in 2022 fuel reached a high of \$2.15 for E10 in my electorate, TWO DOLLARS and FIFTEEN CENTS! Fuel is an essential commodity in our nation. It drives our truckies, fuels our industry. Without Fuel Australia stops, and if everyday Australians can't afford petrol, our nation will cough and sputter until eventually we stop moving forward.

I'm sure that the Member for Sydney would agree with me on this, as Sydney is the most with an average of three weeks worth every year stuck in traffic; a horrible story for anyone who cares about fuel economy. *The Business Insider* estimates that this 3 weeks worth costs around 6% of their salary. This stop-start traffic ruins fuel economy, making you fill up more often. By reducing the fuel excise tax as proposed in this bill, more than 25 cents a litre, for a 60 litre car, that's a saving of \$15 every week on fuel for a total of more than \$750 of savings a year.

The Fuel excise tax is hindering Australians more and more. 75% of the revenue generated doesn't even go back to improving our road networks or infrastructure. It is syphoned back into the general budget to be used elsewhere.

Speaker, this Fuel Excise Reduction bill will cut the fuel excise tax on certain fuels by up to 50%. This enables Australians to access cheaper fuel as well as lowering the cost of fuel refinement, solidifying our fuel industry. The bill promotes environmentally friendly bills by cutting the rate of duty on denatured ethanol by 12% in 2023 as well as cutting duty on biodiesels by 12%. This bill will allow for cheaper air travel, with a 16% cut to air fuel. The bill also increases taxes on diesel, LNG and LPG in order to encourage industry to use biodiesel and tax one of Australia's biggest exports more heavily.

This bill is for the Australian people and will see us at the forefront of bio-fuel technology as well as having some of the cheapest fuel in the world. I ask members to consider what an insane amount Australians have to pay for fuel and support this bill.