

EXPLANATORY STATEMENT

Issued by authority of the Assistant Treasurer

Excise Act 1901

Excise Amendment (Supporting Brewers and Distillers) Regulations 2018

Section 164 of the *Excise Act 1901* (the Act) provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The purpose of the *Excise Amendment (Supporting Brewers and Distillers) Regulations 2018* (the Regulations) is to amend the *Excise Regulation 2015* to extend the alcohol manufacturers excise refund scheme cap from \$30,000 to \$100,000 per financial year.

The Act provides rules to allow remissions, rebates and refunds of excise duty. Section 78 of the Act provides that regulations may prescribe circumstances in which refunds of excise duty may be allowed.

The alcohol manufacturers excise refund scheme previously provided eligible domestic alcohol producers with a refund of 60 per cent of excise paid up to a cap of \$30,000 per financial year.

The Regulations extend the alcohol manufacturers excise refund scheme cap from \$30,000 to \$100,000 per financial year. This provides additional support to domestic brewers, distillers and producers of other fermented beverages.

Further details of the Regulations are set out in Attachment A.

The Act did not specify any conditions that were required to be satisfied before the power to make the Regulations was exercised.

Targeted consultation on the Regulations was undertaken with the Australian Taxation Office that is responsible for administering the refund scheme. However, pursuant to section 17 of the *Legislation Act 2003*, no public consultation was undertaken on the Regulations as they are minor and machinery in nature as they involve a threshold change only.

The Regulations commenced on the day after registration.

A Statement of Compatibility with Human Rights is in Attachment B. The Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

Details of the *Excise Amendment (Supporting Brewers and Distillers) Regulations 2018*

Section 1 – Name of Regulations

This section provides that the title of the Regulations is the *Excise Amendment (Supporting Brewers and Distillers) Regulations 2018* (the Regulations).

Section 2 – Commencement

This section provides that each provision of the Regulations specified in column 1 of the table commenced, or is taken to have commenced, in accordance with column 2 of the table, and that any other statement in column 2 has effect according to its terms.

Schedule 1 to the Regulations commenced on the day after the Regulations were registered.

Section 3 – Authority

This section provides that the Regulations are made under the *Excise Act 1901*.

Section 4 – Schedules

Each instrument that is specified in a Schedule to the Regulations is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the Regulations has effect according to its terms.

Schedule 1 – Amendments

Part 1 – Main amendments

The Regulations extend the alcohol manufacturers excise refund scheme cap from \$30,000 to \$100,000 in the circumstance mentioned in item 21 of the table in subclause 1(1) of Schedule 1 to the Regulations for financial years commencing on or after 1 July 2019.

Item 21 of the table in subclause 1(1) of Schedule 1 to the Regulations provides an excise refund scheme to licensed manufacturers of alcoholic beverages such as beer and distilled and fermented alcoholic beverages including non-traditional cider.

The formula to work out an amount of refund cap for an alcohol manufacturer in subclause 1(5) of Schedule 1 to the Regulations for manufacturers that are licensed for only part of a financial year is also updated to reflect the new alcohol manufacturers excise refund scheme cap.

Part 2 — Application of amendments

The amendments made by Schedule 1 to the Regulations apply in relation to alcoholic beverages on which excise is paid in a financial year commencing on 1 July 2019 or later financial years.

Statement of Compatibility with Human Rights

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

Excise Amendment (Supporting Brewers and Distillers) Regulations 2018

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

Overview of the Legislative Instrument

The *Excise Amendment (Supporting Brewers and Distillers) Regulations 2018* (the Regulations) amend the *Excise Regulation 2015* to extend the alcohol manufacturers excise refund scheme cap from \$30,000 to \$100,000 per financial year for financial years commencing on or after 1 July 2019. This provides additional support to domestic brewers, distillers and producers of other fermented beverages.

Human rights implications

The Regulations do not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.