



31 August 2012

Manager

Indirect Tax Unit
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The Treasury
Langton Crescent
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Via email: exciseconsultation@treasury.gov.au

See Distribution

LPG AUSTRALIA

SUBMISSION TO THE COMMONWEALTH TREASURY

Review of the Legal and Administrative Framework for Excise Equivalent Goods

Dear Manager

LPG Australia appreciates the opportunity to contribute to the Government's *Review of the Legal and Administrative Framework for Excise Equivalent Goods*, which is being delivered through a Better Regulation Ministerial Partnership between the Minister for Finance and Deregulation, the Assistant Treasurer and the Minister for Home Affairs.

LPG Australia is the national peak body which represents the bulk of the downstream alternative gaseous fuels industry which covers Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG). The industry comprises major companies and small to medium businesses in the alternative gaseous fuels supply chain; refiners, fuel marketers, equipment manufacturers, LPG vehicle converters, and the providers of services to the industry.

LPG Australia strongly supports the Government's goal to improve the efficiency and effectiveness of the excise equivalent goods framework, in particular by streamlining administrative arrangements and reducing costs to business. LPG Australia acknowledges the Review will not address the rate, scope or incidence of excise or customs duty.

LPG Australia offers the following comments in response to the consultation paper that was circulated earlier this month.

1. LPG Australia supports streamlining of current customs duty and excise administrative arrangements.
 - a. LPG Australia supports streamlining goods movement licences issued under the current customs duty and excise administrative arrangements.
 - 1) At present, no customs duty is payable (or customs duty is acquitted in full) when LPG is moved from a site covered by a warehouse licence to one covered by a manufacturer licence. Excise duty is payable when LPG leaves the excise manufacturing site and enters into home consumption. The

current customs and excise administrative arrangements require a number of forms to be completed to accommodate such movements.

- 2) An option to simplify the current administrative process would be to merge the customs warehouse licence and excise manufacturing licence into one licence and do away with the current multiple forms.
 - b. LPG Australia also supports bringing customs license and renewal fees into line with those applying to excise licences (where there are no fees payable), noting that both are administered by the Australian Taxation Office (ATO).
 - c. LPG Australia also supports bringing the customs license renewal period (one year) into line with that applying to excise licences (three years).
2. LPG Australia also requests that the Government consider ways to make the refund/drawback/remission provisions that apply under the current excise and customs less restrictive.
 - a. These arrangements impose higher compliance costs on taxpayers than other tax regimes which deal with refunds in other ways (eg, allowing a net amount to be remitted rather than paying the gross amount and seeking a refund separately).
 - b. This is of particular concern given the small amount of duties derived from gaseous fuels compared to traditionally dutiable products.

For your consideration.

Yours sincerely



Michael Carmody
Chief Executive Officer

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For Information:
LPG Australia Advisory Council
LPG Australia Advisory Council Working Group – Excise and Taxation
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