



Inquiry into the *Taxation of Alternative Fuels Legislation*

The House of Representatives Economics Committee will inquire into and report on:

- Taxation of Alternative Fuels Legislation Amendment Bill 2011;
- Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011;
- Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011; and
- Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011.

These Bills bring certain alternative fuels used for transport purposes into the fuel taxation regime and make them subject to excise duty or excise-equivalent customs duty. The fuels affected are liquefied petroleum gas (LPG), liquefied natural gas (LNG) and compressed natural gas (CNG).

The rates for these fuels are based on the energy content of the specific fuels and discounted by 50 per cent to reflect the potential benefits of these alternative fuels. The changes are phased in over a transition period to allow affected parties time to adjust to the changes.

The Explanatory Memorandum states that 'taxing the alternative fuels improves the operation of the fuel market by enhancing competition between the different types of fuels, improving market efficiency, economic choice and the consequent allocation of resources.'

The Chair of the Committee, Craig Thomson, said that the committee will examine the adequacy of the bills in achieving the policy objective and where possible identify any unintended consequences.

The committee will conduct a public hearing on Monday, 23 May 2011 in Canberra and on Friday, 27 May. More information about these hearing will be circulated before the hearing.

Interested persons and organisations are invited to make **submissions to the inquiry by Friday, 20 May 2011.**

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