

**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. 195 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. 34 of 1999 notified in the Australian Capital Territory Gazette No. 8 on 24 February 1999 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 8.206 cents per litre, is being replaced by the new determination to set a diesel subsidy rate of 8.231 cents per litre. The new rate will apply on 2 August 1999 and thereafter. This rate reflects the new Commonwealth excise rate which is a result of CPI indexation and applies on 2 August 1999 and thereafter. Claimants will be advised that subsidies claimed for August 1999 should reflect the new rate and that the rate applies on 2 August 1999 and thereafter.

The maximum percentages of ethyl alcohol for “low alcohol liquor” products and the subsidy rate for low alcohol liquor prescribed in the previous determination remain unchanged.

Authorised by the Chief Minister and Treasurer.