



Clean Energy (Fuel Tax Legislation Amendment) Act 2011

No. 157, 2011

**An Act to amend fuel tax legislation, and for
related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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Clean Energy (Fuel Tax Legislation Amendment) Act 2011

No. 157, 2011

An Act to amend fuel tax legislation, and for related purposes

[Assented to 4 December 2011]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Clean Energy (Fuel Tax Legislation Amendment) Act 2011*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	4 December 2011
2. Schedule 1	1 July 2012. However, the provision(s) do not commence at all if section 3 of the <i>Clean Energy Act 2011</i> does not commence on or before 1 July 2012.	1 July 2012

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Fuel tax credits

Part 1—Amendments

Fuel Tax Act 2006

1 Section 2-1

Omit:

This Act provides a single system of fuel tax credits. Fuel tax credits are paid to reduce or remove the incidence of fuel tax levied on taxable fuels, ensuring that, generally, fuel tax is effectively only applied to:

- (a) fuel used in private vehicles and for certain other private purposes; and
- (b) fuel used on-road in light vehicles for business purposes.

substitute:

This Act provides a single system of fuel tax credits. Fuel tax credits are paid to reduce the incidence of fuel tax levied on taxable fuels, ensuring that, generally, fuel tax is effectively only applied to:

- (a) fuel used in private vehicles and for certain other private purposes; and
- (b) fuel used on-road in light vehicles for business purposes.

For fuel that is not *covered by the Opt-in Scheme, the fuel tax credit entitlement is (with some exceptions) reduced by an amount equivalent to what the carbon price on the fuel emissions would be (if those emissions were subject to a carbon price). For fuel that is covered by that Scheme, the entitlement is not so reduced.

Fuel tax credits are also provided for fuel for use in aircraft if the fuel is covered by the Opt-in Scheme. The amount of the credit is limited to the carbon component rate that was factored into the rate of fuel tax.

2 Subsection 40-5(2)

Omit “reduce or remove”, substitute “reduce”.

3 At the end of section 40-5 (after the note)

Add:

- (3) For fuel that is not *covered by the Opt-in Scheme, your fuel tax credit entitlement is (with some exceptions) reduced by an amount equivalent to what the carbon price on the fuel emissions would be (if those emissions were subject to a carbon price). For fuel that is covered by that Scheme, your entitlement is not so reduced.
- (4) Fuel tax credits are also provided for fuel for use in aircraft if the fuel is *covered by the Opt-in Scheme. The amount of the credit is limited to the carbon component rate that was factored into the rate of fuel tax.

4 Section 41-1

Omit:

(d) the fuel is for use in aircraft.

substitute:

(d) the fuel is for use in aircraft, and is not covered by the Opt-in Scheme.

5 Paragraph 41-5(3)(b)

Omit “vehicle (or vessel)”, substitute “vehicle, vessel or aircraft”.

6 Subparagraph 41-25(2)(a)(ii)

Omit “agricultural property”, substitute “*agricultural property”.

7 Section 41-30 (heading)

Repeal the heading, substitute:

41-30 No fuel tax credit for fuel to be used in aircraft, unless the fuel is covered by the Opt-in Scheme

8 Section 41-30

Omit “You”, substitute “(1) You”.

9 At the end of section 41-30

Add:

- (2) However, subsection (1) does not apply if the fuel is *covered by the Opt-in Scheme.

10 Section 43-1

Omit:

The amount of your credit for taxable fuel is the amount of fuel tax that was payable on the fuel, reduced to take account of certain grants and subsidies that were payable in respect of the fuel (as the grants or subsidies reduced the amount of fuel tax that effectively applied to the fuel).

substitute:

The amount of your credit for taxable fuel is the amount of fuel tax that was payable on the fuel:

- (a) reduced to take account of certain grants and subsidies that were payable in respect of the fuel (as the grants or subsidies reduced the amount of fuel tax that effectively applied to the fuel); and
- (b) for fuel that is not covered by the Opt-in Scheme—reduced (with some exceptions) to take account of what the carbon price on the fuel emissions would be (if those emissions were subject to a carbon price).

For fuel for use in aircraft that is covered by the Opt-in Scheme, the amount of the credit is reduced so that it is limited to the carbon component rate that was factored into the rate of fuel tax.

11 Subsection 43-5(1)

Repeal the subsection, substitute:

- (1) The *amount of your fuel tax credit for taxable fuel is the amount (but not below nil) worked out using the following formula:

*Amount of *effective fuel tax – *Amount of *carbon reduction

Note: The amount of the credit might be reduced under section 43-10 or 43-11.

12 After section 43-7

Insert:

43-8 Working out amount of carbon reduction

Amount of carbon reduction: general rule

- (1) Subject to subsections (3) and (4), the *amount of **carbon reduction** that applies to a particular quantity of taxable fuel you acquire, manufacture or import is worked out, to 3 decimal places (rounding up if the fourth decimal place is 5 or more), using the following formula:

Quantity of fuel × Carbon price × Carbon emission rate

where:

carbon emission rate means:

- (a) if the fuel is gasoline—0.0024; or
- (b) if the fuel is LPG—0.0016; or
- (c) if the fuel is LNG—0.0029; or
- (d) if the fuel is CNG—0.0029; or
- (e) if the fuel is denatured ethanol for use in an internal combustion engine—nil; or
- (f) if the fuel is biodiesel or renewable diesel—nil; or
- (g) for any other taxable fuel (other than a blend of taxable fuels)—0.0027.

Note: If the fuel is a blend, see subsection (3).

carbon price means:

- (a) if you acquire, manufacture or import the fuel in the financial year starting on 1 July 2012—2,300 cents; or
- (b) if you acquire, manufacture or import the fuel in the financial year starting on 1 July 2013—2,415 cents; or
- (c) if you acquire, manufacture or import the fuel in the financial year starting on 1 July 2014—2,540 cents; or

- (d) if you acquire, manufacture or import the fuel in the *half-year starting on 1 July 2015 or a later half-year—the amount that applies to that half-year under subsection (2).

quantity of fuel means:

- (a) unless paragraph (b) applies—the number of litres of the fuel;
or
(b) if the fuel is LNG or CNG—the number of kilograms of the fuel.

Carbon price for half-years starting on or after 1 July 2015

- (2) For the purpose of paragraph (d) of the definition of **carbon price** in subsection (1), the amount that applies to a *half-year is the amount that:
- (a) is worked out under section 196 of the *Clean Energy Act 2011* taking account of auctions conducted in the 6 months ending at the end of:
- (i) the last May before the start of the half-year, if the half-year starts on 1 July (in 2015 or a later year); or
(ii) the last November before the start of the half-year, if the half-year starts on 1 January (in 2016 or a later year);
and
- (b) is the first amount that is worked out in that way for those 6 months and published under that section.

Amount of carbon reduction: blends

- (3) If the fuel is a blend of 2 or more kinds of taxable fuel (the **constituent fuels**), the *amount of **carbon reduction** that applies to the blend is to be worked out as follows:
- (a) work out the quantity of each of the constituent fuels that is included in the blend;
(b) work out the amount of carbon reduction that would apply to each of those quantities of the constituent fuels;
(c) the amount of carbon reduction that applies to the blend is the sum of the amounts worked out under paragraph (b).

Situations in which no carbon reduction applies

- (4) The *amount of **carbon reduction** that applies to the fuel is nil to the extent that:
-

- (a) the fuel is *covered by the Opt-in Scheme; or
- (b) you acquire, manufacture or import the fuel for use in:
 - (i) *agriculture; or
 - (ii) *fishing operations; or
 - (iii) *forestry; or
- (c) you acquire, manufacture or import the fuel for use in a vehicle with a gross vehicle mass of more than 4.5 tonnes travelling on a public road; or
- (d) you acquire, manufacture or import the fuel for use otherwise than by combustion of the fuel.

13 Section 43-10 (heading)

Repeal the heading, substitute:

43-10 Reducing the amount of your fuel tax credit: fuel other than for use in aircraft

14 Before the heading to subsection 43-10(1)

Insert:

Fuel to which this section applies

- (1A) This section applies to taxable fuel other than fuel that you acquire, manufacture or import for use in aircraft.

15 At the end of Subdivision 43-A

Add:

43-11 Reducing the amount of your fuel tax credit: fuel for use in aircraft

Fuel to which this section applies

- (1) This section applies to taxable fuel that you acquire, manufacture or import for use in aircraft if the fuel is *covered by the Opt-in Scheme.

Reduction so that credits only cover carbon component rate of fuel tax

- (2) The *amount of your fuel tax credit for the taxable fuel is reduced by the amount of fuel tax that would have been payable by you on the fuel if the carbon component rate that applied under whichever of sections 6FA and 6FB of the *Excise Tariff Act 1921* affected the rate of fuel tax on the fuel had instead been nil.

Note: The reference to sections 6FA and 6FB of the *Excise Tariff Act 1921* includes a reference to those sections as they have effect in relation to rates of duties of customs because of section 19A of the *Customs Tariff Act 1995*.

16 At the end of Division 43

Add:

Subdivision 43-B—Definitions of agriculture, fishing operations, forestry and related expressions

43-15 Agriculture

- (1) Subject to subsection (2), the expression ***agriculture*** means:
- (a) the cultivation of the soil; or
 - (b) the cultivation or gathering in of crops; or
 - (c) the rearing of *livestock; or
 - (d) viticulture, *horticulture, pasturage or apiculture;
- and includes:
- (e) a *livestock activity; and
 - (f) an *agricultural soil/water activity; and
 - (g) an *agricultural construction activity; and
 - (h) an *agricultural waste activity; and
 - (i) a *sundry agricultural activity.
- (2) The expression ***agriculture*** does not include:
- (a) *fishing operations or *forestry; or
 - (b) an activity referred to in subsection (1) (other than hunting or trapping that is conducted for the purposes of a business, including the storage of any carcasses or skins obtained from the hunting or trapping) unless the activity is conducted for

the purposes of, or for purposes that will directly benefit, a business conducted to obtain produce for sale.

43-20 Livestock activity and livestock

Livestock activity

- (1) The expression ***livestock activity*** means:
- (a) the shearing or cutting of hair or fleece of *livestock, or the milking of livestock, on an *agricultural property; or
 - (b) the transporting of livestock to an agricultural property:
 - (i) for the purpose of rearing; or
 - (ii) for the purpose of agistment; or
 - (c) the return journey from a place referred to in paragraph (b) of the vehicles or equipment used in transporting the livestock, if that journey is for the purpose of:
 - (i) a further transportation of livestock as mentioned in paragraph (b); or
 - (ii) backloading raw materials or consumables for use in a *core agricultural activity; or
 - (d) the mustering of livestock:
 - (i) by a person who conducts a core agricultural activity; or
 - (ii) by a person contracted by that person to conduct the mustering;on the agricultural property where the core agricultural activity is conducted.

Note: The agricultural activities referred to in paragraph (d) are given an expanded meaning by subsection 43-45(2).

Livestock

- (2) The expression ***livestock*** includes any animal reared for the production of food, fibres, skins, fur or feathers, or for its use in the farming of land.

43-25 Agricultural soil/water activity

The expression ***agricultural soil/water activity*** means:

- (a) any activity conducted for the purpose of soil or water conservation:

- (i) by a person who conducts a *core agricultural activity;
or
- (ii) by a person contracted by that person to conduct the first-mentioned activity;
on the *agricultural property where the core agricultural activity is conducted; or
- (b) searching for ground water solely for use in an *agricultural activity, or the construction or maintenance of facilities for the extraction of such water, solely for that use, if the searching, construction or maintenance:
 - (i) is conducted on an agricultural property where a core agricultural activity is conducted, or at a place adjacent to that property; and
 - (ii) is conducted by the person who conducts the first-mentioned agricultural activity or by a person contracted by that person to conduct the searching, construction or maintenance; or
- (c) any activity conducted for the purposes of soil or water conservation:
 - (i) by a person who conducts a core agricultural activity within an *approved catchment area; or
 - (ii) by a person contracted by that person to conduct the first-mentioned activity;
within the approved catchment area; or
- (d) the pumping of water solely for use in an agricultural activity if the pumping is conducted:
 - (i) on an agricultural property where a core agricultural activity is conducted, or at a place adjacent to that property; and
 - (ii) by the person who conducts the first-mentioned agricultural activity or by a person contracted by that person to conduct the pumping, other than a person so contracted that is a *public authority; or
- (e) the supply of water solely for use in an agricultural activity if:
 - (i) the supply is to an agricultural property where a core agricultural activity is conducted; and
 - (ii) the water comes from that property or a place adjacent to that property; and

- (iii) the supply is conducted by the person who conducts the first-mentioned agricultural activity or by a person contracted by that person to conduct the supply, other than a person so contracted that is a public authority.

Note: The agricultural activities referred to in the above paragraphs are given an expanded meaning by subsection 43-45(2).

43-30 Agricultural construction activity

The expression *agricultural construction activity* means:

- (a) the construction or maintenance of fences:
 - (i) by a person who conducts a *core agricultural activity; or
 - or
 - (ii) by a person contracted by that person to conduct the construction or maintenance;on the *agricultural property where the core agricultural activity is conducted; or
- (b) the construction or maintenance of firebreaks:
 - (i) by a person who conducts a core agricultural activity; or
 - (ii) by a person contracted by that person to conduct the construction or maintenance;on the agricultural property where the core agricultural activity is conducted or at a place adjacent to that property; or
- (c) the construction or maintenance of sheds, pens, silos or silage pits for use in an *agricultural activity if the construction or maintenance is conducted:
 - (i) on an agricultural property where a core agricultural activity is conducted; and
 - (ii) by the person who conducts the first-mentioned agricultural activity or by a person contracted by that person to conduct the construction or maintenance; or
- (d) the construction or maintenance of dams, water tanks, water troughs, water channels, irrigation systems or drainage systems, including (but not limited to) water pipes and water piping, for use in a core agricultural activity if the construction or maintenance is conducted:
 - (i) on the agricultural property where the core agricultural activity is conducted; and

- (ii) by the person who conducts the core agricultural activity or by a person contracted by that person to conduct the construction or maintenance; or
- (e) the conducting of *earthworks for use in a core agricultural activity if the earthworks are conducted:
 - (i) on the agricultural property where the core agricultural activity is conducted; and
 - (ii) by the person who conducts the core agricultural activity or by a person contracted by that person to conduct the earthworks.

Note: The agricultural activities referred to in the above paragraphs are given an expanded meaning by subsection 43-45(2).

43-35 Agricultural waste activity

The expression *agricultural waste activity* means:

- (a) the removal of waste products of an *agricultural activity from the *agricultural property where the activity is conducted; or
- (b) the disposal of waste products of an agricultural activity on the agricultural property where the activity is conducted.

43-40 Sundry agricultural activity

The expression *sundry agricultural activity* means:

- (a) frost abatement on an *agricultural property; or
- (b) hay baling on the agricultural property where the hay was cultivated; or
- (c) the planting or tending of trees on an agricultural property otherwise than for the purpose of felling; or
- (d) firefighting activities conducted:
 - (i) by a person who conducts a *core agricultural activity; or
 - (ii) by a person contracted by that person to conduct the firefighting activities;
on the agricultural property where the core agricultural activity is conducted or at a place adjacent to that property; or
- (e) the service, maintenance or repair of vehicles or equipment for use in an *agricultural activity if the service, maintenance or repair is conducted:

Schedule 1 Fuel tax credits
Part 1 Amendments

- (i) on an agricultural property where a core agricultural activity is conducted; and
- (ii) by the person who conducts the first-mentioned agricultural activity or by a person contracted by that person to conduct the service, maintenance or repair; or
- (f) the storage of produce of a core agricultural activity on an agricultural property where a core agricultural activity is conducted; or
- (g) the packing, or the prevention of deterioration, of the produce of a core agricultural activity if:
 - (i) the packing, or the prevention of deterioration, of the produce is conducted on an agricultural property where a core agricultural activity is conducted; and
 - (ii) there is no physical change to the produce; and
 - (iii) the packing, or the prevention of deterioration, of the produce does not constitute a processing of the produce; or
- (h) weed, pest or disease control conducted:
 - (i) by a person who conducts a core agricultural activity; or
 - (ii) by a person contracted by that person to conduct the weed, pest or disease control;
on the agricultural property where the core agricultural activity is conducted; or
- (i) hunting or trapping that is conducted for the purposes of a business, including the storage of any carcasses or skins obtained from the hunting or trapping; or
- (j) the *use of taxable fuel at *residential premises in:
 - (i) providing food and drink for; or
 - (ii) providing lighting, heating, air-conditioning, hot water or similar amenities for; or
 - (iii) meeting other domestic requirements of; residents of the premises if:
 - (iv) the use is by a person who conducts a core agricultural activity; and
 - (v) the residential premises are situated on the agricultural property where that activity is conducted.

Note: The agricultural activities referred to in paragraphs (d), (e) and (h) are given an expanded meaning by subsection 43-45(2).

43-45 Agricultural activity

- (1) The expression ***agricultural activity*** means an activity referred to in any one of the paragraphs of the definition of ***agriculture*** in subsection 43-15(1) (other than an activity referred to in paragraph (i) or (j) of the definition of ***sundry agricultural activity*** in section 43-40) if that activity is conducted for the purposes of, or for purposes that will directly benefit, a business conducted to obtain produce for sale.
- (2) For the purposes of determining whether an activity is an ***agricultural activity***, the activity referred to in:
 - (a) paragraph (d) of the definition of ***livestock activity*** in subsection 43-20(1); or
 - (b) any of the paragraphs of the definition of ***agricultural soil/water activity*** in section 43-25; or
 - (c) any of the paragraphs of the definition of ***agricultural construction activity*** in section 43-30; or
 - (d) paragraph (d), (e) or (h) of the definition of ***sundry agricultural activity*** in section 43-40;includes such an activity when it is conducted by a subcontractor of a person contracted to conduct the activity.

43-50 Approved catchment area

The expression ***approved catchment area*** means an area:

- (a) in respect of which a soil or water conservation plan has been adopted by the persons who conduct *core agricultural activities within that area; or
- (b) in respect of which a soil or water conservation agreement has been made between the persons who conduct core agricultural activities within that area.

43-55 Core agricultural activity

The expression ***core agricultural activity*** means an activity referred to in paragraph (a), (b), (c) or (d) of the definition of ***agriculture*** in subsection 43-15(1) if that activity is conducted for the purposes of, or for purposes that will directly benefit, a business conducted to obtain produce for sale.

43-60 Earthworks

The expression *earthworks* means:

- (a) the forming or maintenance of levee banks or windbreaks; or
- (b) contour banking; or
- (c) land levelling or land grading.

43-65 Horticulture

The expression *horticulture* includes:

- (a) the cultivation or gathering in of fruit, vegetables, herbs, edible fungi, nuts, flowers, trees, shrubs or plants; or
- (b) the propagation of trees, shrubs or plants; or
- (c) the production of seeds, bulbs, corms, tubers or rhizomes.

43-70 Fishing operations and related definitions

Fishing operations

(1) The expression *fishing operations* means:

- (a) the taking, catching or capturing of *fish; or
- (b) the farming of fish; or
- (c) the construction of ponds, tanks or other structures to contain fish that are to be farmed, where the construction is conducted by:
 - (i) the person who will do the farming; or
 - (ii) a person contracted by that person to conduct the construction; or
 - (iii) a subcontractor of a person so contracted; or
- (d) the *processing of fish on board vessels; or
- (e) *pearling operations; or
- (f) the operation of a dedicated mother vessel in connection with an activity referred to in paragraphs (a), (b), (d) or (e); or
- (g) the conducting of:
 - (i) voyages to or from a *port by a vessel for the purposes of refitting or repairing the vessel, or its equipment, for purposes that are integral to the performance of an activity referred to in any of the preceding paragraphs; or

- (ii) trials in connection with such a refit or repair of a vessel or of its equipment;

but does not include any activity referred to in any of the preceding paragraphs that is conducted, in whole or in part:

- (h) otherwise than for the purposes of a business; or
- (i) for business purposes connected with recreation, sport or tourism.

Fish

- (2) The expression **fish** means freshwater or saltwater fish, and includes crustacea, molluscs or any other living resources, whether of the sea or seabed or of fresh water or the bed below fresh water.

Pearling operations

- (3) The expression **pearling operations** means:
 - (a) the taking of pearl shell; or
 - (b) the culture of pearls or pearl shell;and includes the taking or capturing of trochus, beche-de-mer or green snails.

Processing of fish

- (4) The expression **processing of fish** includes:
 - (a) the cutting up, dismembering, cleaning, sorting or packing of *fish; or
 - (b) the preserving or preparing of fish; or
 - (c) the producing of any substance or article from fish.

43-75 Forestry

The expression **forestry** means:

- (a) the planting or tending, in a forest or plantation, of trees intended for felling; or
- (b) the thinning or felling, in a forest or plantation, of standing timber;

and includes:

- (c) the transporting, milling or processing, in a forest or plantation, of timber felled in the forest or plantation; and

- (d) the milling of timber at a sawmill or chipmill that is not situated in the forest or plantation in which the timber was felled; and
- (e) if timber is milled at a sawmill or chipmill that is not situated in the forest or plantation in which the timber was felled—the transporting of the timber from the forest or plantation in which it was felled to the sawmill or chipmill; and
- (f) the making and maintaining in a forest or plantation referred to in paragraph (a) or (b) of a road that is integral to the activities referred to in paragraph (a), (b) or (c).

17 Section 110-5

Insert:

agricultural activity has the meaning given by section 43-45.

18 Section 110-5

Insert:

agricultural construction activity has the meaning given by section 43-30.

19 Section 110-5

Insert:

agricultural property means land or premises on which a *core agricultural activity is conducted.

20 Section 110-5

Insert:

agricultural soil/water activity has the meaning given by section 43-25.

21 Section 110-5

Insert:

agricultural waste activity has the meaning given by section 43-35.

22 Section 110-5

Insert:

agriculture has the meaning given by section 43-15.

23 Section 110-5

Insert:

approved catchment area has the meaning given by section 43-50.

24 Section 110-5

Insert:

biodiesel has the same meaning as it has in the *Excise Tariff Act 1921*.

25 Section 110-5

Insert:

carbon reduction has the meaning given by subsection 43-8(1).

26 Section 110-5

Insert:

CNG means compressed natural gas.

27 Section 110-5

Insert:

core agricultural activity has the meaning given by section 43-55.

28 Section 110-5

Insert:

covered by the Opt-in Scheme: an amount of taxable fuel that an entity acquires, manufactures or imports (which may be part of a larger quantity of fuel so acquired, manufactured or imported) is *covered by the Opt-in Scheme* if, under the Opt-in Scheme provided for by the *Clean Energy Act 2011*:

- (a) there is a designated opt-in person in respect of the amount of fuel; and
- (b) there is a preliminary emissions number of the designated opt-in person for the financial year, and that number is attributable to the amount of fuel.

29 Section 110-5

Insert:

earthworks has the meaning given by section 43-60.

30 Section 110-5

Insert:

fish has the meaning given by subsection 43-70(2).

31 Section 110-5

Insert:

fishing operations has the meaning given by subsection 43-70(1).

32 Section 110-5

Insert:

forestry has the meaning given by section 43-75.

33 Section 110-5

Insert:

half-year means a period of 6 months beginning on 1 July or 1 January.

34 Section 110-5

Insert:

horticulture has the meaning given by section 43-65.

35 Section 110-5

Insert:

livestock has the meaning given by subsection 43-20(2).

36 Section 110-5

Insert:

livestock activity has the meaning given by subsection 43-20(1).

37 Section 110-5

Insert:

LNG means liquefied natural gas.

38 Section 110-5

Insert:

pearling operations has the meaning given by subsection 43-70(3).

39 Section 110-5

Insert:

port means a port appointed under section 15 of the *Customs Act 1901*.

40 Section 110-5

Insert:

processing of fish has the meaning given by subsection 43-70(4).

41 Section 110-5

Insert:

public authority means:

- (a) an instrumentality of the Commonwealth, a State or a Territory; or
- (b) an authority or body established for a public purpose by or under a law of the Commonwealth, a State or a Territory.

42 Section 110-5

Insert:

renewable diesel means liquid fuel that is manufactured by chemically altering vegetable oils or animal fats (including recycled oils from these sources) through a process of hydrogenation (whether or not that process was part of some other process).

43 Section 110-5

Insert:

sundry agricultural activity has the meaning given by section 43-40.

***Fuel Tax (Consequential and Transitional Provisions) Act
2006***

44 After subitem 12(2) of Schedule 3

Insert:

- (2A) If, because of subitem (2), you are entitled to a credit in respect of the fuel acquired, manufactured or imported for use as mentioned in subparagraph (1)(b)(i), then, for the purpose of section 43-8 of the Fuel Tax Act, the amount of carbon reduction that applies to the fuel is taken to be nil.

Part 2—Application of amendments

45 Application of amendments

The amendments made by this Schedule apply to fuel acquired, manufactured or imported on or after the commencement of this Schedule.

*[Minister's second reading speech made in—
House of Representatives on 13 September 2011
Senate on 12 October 2011]*