

QUESTION No.43

(Hansard 31/05/05, p.E15)

Senator Campbell asked about:

Parliament was advised on 29 March 2004 by Senator Minchin that the Commonwealth Government had turned down a request initially from SPP, and subsequently from its receiver Ernst & Young (EY) and then Sandefer Capital Partners, to extend the effective excise exemption available to petroleum products from shale oil. Can you detail the reasons why the Commonwealth Government refused the request?

Can you also take on notice to provide us with copies of any documents relating to the request, including correspondence to and from the parties making the request and advice from other departments?

ANSWER

The Government indicated to SPP's Receivers and Managers that, in the context of Australia's overall energy policy and previous financial and other support provided to SPP, the Government had decided not to extend the exemption. Senator Minchin made a statement on behalf of the Government on 29 March 2004 which reiterated the Government's decision not to extend the exemption.

The documents listed in the table below are the communications that the Department has in its possession relating to the request for an extension of the excise exemption. Copies of these documents have been provided to the Senate Economics Legislation Committee secretariat.

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Budget Estimates 2005-2006, 30-31 May 2005

<u>Date</u>	<u>From</u>	<u>To</u>	<u>Substantive Content</u>
15 May 2003	Mr Vic Kuss Executive Director, SPP	Minister Macfarlane	Request to extend the 12 month Sales Grant on naphtha sales to international markets, then due to expire at the end of May 2003.
3 July 2003	Mr Vic Kuss Executive Director, SPP	Mr Russell Higgins Energy Taskforce DPMC	Request to extend the excise relief period to 31 Dec 2013 instead of end 2005.
11 Dec 2003	Mr Angus Blackwood Receiver, EY	Minister Macfarlane	Advising the appointment of EY as receivers; sought an extension of the current Oil Shale Excise exemption from 31 Dec 05 to 31 Dec 2013.
24 Dec 2003	Minister Macfarlane	Mr Angus Blackwood Receiver, EY	Noting EY's concerns and advising that the Government is considering the request from SPP in the context of its longer term energy policy deliberations.
27 Feb 2004	Mr Bill Jones Principal, SCP	Minister Macfarlane	Stressed the importance of the extension of the Oil Shale Excise to the company purchasing SPP, Queensland Energy Resources Ltd.
9 Mar 2004	Minister Macfarlane	Mr Bill Jones Principal, SCP	Advising that the Government had made a decision on the excise exemption, and had communicated such to EY.
9 Mar 2004	Minister Macfarlane	Mr Angus Blackwood Receiver, EY	Advising that the Government had decided not to extend the excise exemption.