



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

2 September 2021

Deregulation Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

via email: DeregulationExcise@pmc.gov.au

Dear Sir/Madam

Streamlining excise administration for fuel and alcohol consultation paper

We strongly support the work of the Deregulation Taskforce in identifying potential opportunities to lessen the regulatory burden of small businesses in the alcohol and fuel sectors. Implementing the following reforms would lead to a more administratively efficient excise system for the sector.

1. Indexation of excise and customs duty should occur annually, and should be timed to align with other business reporting processes. Moreover businesses should be given sufficient notice of indexation changes to allow them to negotiate price changes with their customers.
2. Payment of excise and lodgment of returns should be on a quarterly basis for small businesses and should be aligned with goods and services tax reporting. We also see merit in incorporating excise reporting into the Business Activity Statement process to further ease cumulative regulatory burden.
3. Smaller alcohol manufacturers and start-ups, which would otherwise have an annual excise liability of no more than \$350,000, should be automatically exempt from the excise system, as opposed to an opt-out system. This would remove the need for excise payments and returns for those small operators.
4. A simplified revenue neutral method for calculating Vapour Recovery Unit refunds should be developed.
5. The taxing point for fuel should be moved upstream so that wholesalers no longer need to hold licenses and permissions. For the alcohol sector, any reduction in administrative burden from an earlier taxing point needs to be balanced against cash flow and product maturation concerns.

Given its complexity, the administration of the excise system is ripe for the application of regtech solutions. We support efforts to automate reporting processes in the excise system, including the work currently being undertaken through the Blockchain Pilot Grants program.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mike Kearney on 02 6213 7443 or at michael.kearney@asbfeo.gov.au.

Yours sincerely

The Hon Bruce Billson
Australian Small Business and Family Enterprise Ombudsman

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