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# EXCISE AND AUSTRALIA

Clayton Roberts

Excise officer Wayne Dale at Jane Brook Estate Wines, Middle Swan, Western Australia. He is using an Ebulliometer, an instrument for determining the spirit strength of wine by observing the difference between its boiling point and that of water under identical conditions. By using a conversion table the difference can be expressed as a percentage by volume of spirit.



**E**xcise duties are common law taxes imposed on goods produced in a country, traditionally including petroleum products, beer, spirits, tobacco and cigarettes. Like Customs duties they are indirect taxes levied on commodities, unlike income taxes, which are levied on a person's income. Excise duties are levied primarily as a direct contribution to consolidated revenue for use in financing government activity.

Clayton Roberts, Senior Inspector, Petroleum Excise, Fremantle, has been a regular contributor to the *Australian Customs History Journal*. He is currently working on a 'Customs Glossary' encompassing both old and new terms. He hopes the Glossary will assist serving officers and clients in a better understanding of the Australian Customs Service.

As a taxing medium excise has been adopted in most countries in the world in some form or another down the centuries. Certainly types of excise existed in Europe long before they reached the shores of England in 1643. In the United States excise is termed Internal Revenue, and the equivalent of our Excise Act is the Internal Revenue code.

Customs and Excise law in Australia stems from British Acts, customs and procedures. In the reign of Charles I the financial needs of government were pressing, and in

the latter part of 1643 the British Parliament, adopting the Dutch model, levied a tax on beer and ale, and called it 'Excise'. The 1643 ordinance also included duties on various foreign products. The new tax met a great deal of opposition, which has continued ever since. Samuel Johnson (1709-84), noted British writer and lexicographer, defined excise in his *Dictionary of the English Language* as 'a hateful tax levied upon commodities, and adjudged not by the common judges of property, but by wretches hired by those to



Fuel storage tanks at Shell Oil Terminal, Port Walcott, Cape Lambert, Western Australia. AUSTRALIAN CUSTOMS SERVICE HISTORICAL COLLECTION



Petroleum tanks are dipped regularly to measure the quantity of petroleum product they contain. In most instances this is done using a dip-tape, a graduated steel tape for measuring the depth of oil or water in the tank. A weight sufficient to keep it taut, and shaped so as to penetrate any sludge on the tank bottom, is attached to the dip-tape.

Dip-tape in Customs display, Customs House, Canberra. AUSTRALIAN CUSTOMS SERVICE HISTORICAL COLLECTION



BP Australia Ltd, Oil Terminal Bunbury, WA. Customs Officers Peter Tilbrook and Clayton Roberts descending the steps of the Road wagon loading gantry after inspecting the dipping procedures. AUSTRALIAN CUSTOMS SERVICE HISTORICAL COLLECTION

whom excise is paid'. Despite continuing opposition, excise duties have flourished, and today are an essential part of our economic life.

Before 1901 the six colonies of Australia levied their own Customs and Excise duties. With Federation the colonial laws lapsed and the present Customs and Excise Acts became law. On 8 October 1901 two tariffs, one imposing uniform duties of Excise and the other uniform duties of Customs, were proposed in the Commonwealth Parliament: the respective Acts were enacted on 26 July and 16 September 1902. Section 4 of each Act set the operative date as 8 October 1901, the date on which the uniform tariffs were proposed in Parliament.

The first Commonwealth Excise tariff imposed duties on beer, spirits, starch, sugar, snuff and tobacco products. An interesting feature of the excise duty on sugar was that a rebate of four shillings a ton on all sugarcane delivered for manufacture was given to the grower, providing white labour only was used in its production. Thus written into the Excise tariff was a fundamental element of the so-called 'White Australia Policy'. Today's tariff excludes starch, sugar and snuff, but covers such commodities as petroleum products, spirits, beer, cigarettes and tobacco. Excise revenue has grown from £1.2 million in 1901-02 to \$9482 million in 1990-91.