

Dissenting Report from the Australian Greens

1.1 The Australian Greens do not support Schedule 4 of the Tax and Superannuation Laws Amendment (2014 Measures No.6) Bill 2014 as it currently stands because it reinforces the government's budget priorities of benefiting the wealthiest in our society while imposing burdens on those least able to absorb them.

1.2 In line with the Greens' policy, farming businesses that are eligible for the Fuel Tax Credit should see those credits rise in line with movements in fuel excise. However, this Schedule would compensate multibillion dollar mining companies for all their expenditure on fuel excise and cost the budget around \$720 million over the forward estimates.

1.3 This \$720 million comes on top of the \$1.5 billion gifted to the mining industry from the carbon price repeal which removed the carbon charge of around 6 cents a litre that mining companies had to pay for their fuel. Now mining companies pay no excise at all for their fuel.

1.4 With the government subverting the will of the Parliament through tabling the *Customs Tariff Proposal (No.1) 2014*, re-indexation commenced on 10 November 2014. This schedule is necessary for the super profits of mining companies to be unaffected by the growing difference between indexation and the previously fixed rate of fuel excise at 38.14c.

1.5 The Greens believe that there is no public policy rationale for multibillion dollar mining companies to receive taxpayer funded subsidies for fuel use in their operations. Not only is it an unjustifiable waste of public money, but it distorts energy generation on mine sites, favouring diesel generation which is rising in costs against clean energy and storage which are falling and cost-competitive without the Fuel Tax Credit for mining operations.

1.6 The Schedule should be amended to remove the eligibility of mining companies for Fuel Tax Credits while agricultural activities remain untouched in the event that the Parliament agrees to implement the government's fuel excise budget policy measure.

Recommendation

1.7 That the Senate amend the Bill to remove mining companies from eligibility for the Fuel Tax Credit.

**Senator Christine Milne
Leader of the Australian Greens**

