Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 101

Topic: Fuel Tax / Excise Rebate – List of Affected Organisations

Hansard Page: Wednesday 30 May 2012, page 107

Senator BOSWELL asked:

Senator BOSWELL: So, your response to the government is to reduce the excise by 6c a litre, or thereabouts, and you do not have a list of who that affects? Would it affect the Royal Flying Doctor Service?

Mr Quigley: I cannot answer that. We certainly would work with Treasury in providing information about the current law. Any new proposals are really a matter for the Treasury.

Senator BOSWELL: Could I ask someone from the Treasury?

Mr Heferen: We could provide that to you on notice.

Senator BOSWELL: You can provide a list?

Mr Heferen: We will seek to do so.

Senator BOSWELL: There is a bit of a difference there. I am asking for a list of all the people—non-profit, different organisations and different businesses—that will be affected by the loss of the five-point-something cents a litre. On my recognition of it, it would be people like the surf lifesavers, the flying doctor, surf helicopters and the marine rescue vessels. I am wondering, is there a comprehensive list?

Senator Wong: I think that is what Mr Heferen just took on notice, Senator.

Senator BOSWELL: Well, Minister, he said he would see if there was one available. There must be one available.

Senator Wong: He is entitled to take it on notice. We will see what we can do.

Answer

A. Treasury has not prepared costings at the individual, individual industry or organisation level for reductions in fuel tax credits. Consequently, it cannot provide a list of individuals, individual industries or organisations that will be subject to reduced fuel tax credits as a result of the application of an effective carbon price.

B. Division 43 of the *Fuel Tax Act 2006* provides for a reduction in fuel tax credit entitlements that businesses in general should apply to their fuel use. The division also provides for a number of specific exemptions from the reduction. The exemptions include fuel used by the agriculture, forestry and fishing industries and fuel used in heavy on-road vehicles (gross vehicle mass of more than 4.5 tonnes). Consequently, other than those exemptions, if a business is entitled to fuel tax credits, then those credits will be subject to the reduction.

In addition, please refer to the answers provided to Questions on Notice 344-347.