

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 102-103

Topic: Charities Maritime and Aviation Support Program

Hansard Page: Wednesday 30 May 2012, page 77

Senator BOSWELL asked:

Senator BOSWELL: I understand that once your instructions came through you would have to do an impact statement on what it would cost all of these organisations; is that correct?

Mr Quigley: Whether it is costings—we would provide certainly some information to Treasury, but I would have to take on notice exactly what we did provide and whether we have any costings or Treasury has costings.

Mr D'Ascenzo: The situation is that, in relation to legislative measures, often it is Treasury that does the impact statement, but, having said that, we do work closely with Treasury and we do provide substantial information.

Senator BOSWELL: Mr Heferen, would you take that on notice too?

Mr Heferen: Certainly. In relation to your concern around the not-for-profit entities, I do not know and I apologise for not having people here right across all the carbon price issues. I think that was scheduled to be dealt with this morning. I would be reasonably confident that the Charities Maritime and Aviation Support Program is looking at providing the rebate to cover any cost increases on fuels purchased for their activities. It sounds like that is on all fours with the concern you are raising. But as I said, this is an issue for the Department of Climate Change and Energy Efficiency. We can certainly have people work with the department of climate change to make sure that your question is answered.

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Senator BOSWELL: Can you tell me if this payment from the Charities Maritime and Aviation Support Program will be a one-off payment or a payment every year?

Mr Heferen: All I know is what is in this note that I read out, and the details of that would need to be put to the department of climate change.

Senator BOSWELL: Can I put that on notice? You have the question on notice.

Mr Heferen: Yes.

Senator BOSWELL: Will it be a one-off payment or will it be a payment every year?

Mr Heferen: I will take it on notice.

Answer:

As this question relates to a programme run by the Department of Climate Change and Energy Efficiency (DCCEE), Treasury sought the DCCEE's advice.

The DCCEE provided the following advice:

Charities will incur an effective carbon price on maritime and aviation fuels through the fuel excise and fuel tax credits scheme. The tables below outline how an effective carbon price will be applied

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to these fuels prior to receiving assistance under the Charities Maritime and Aviation Support Program.

Payments under the Charities Maritime and Aviation Support Program (the Program) commenced in July 2012. The Program will offer assistance to offset the carbon price impact on essential maritime and aviation fuels used by eligible charities. Under the Program, eligible charities are paid their assistance on a quarterly basis throughout each financial year, based on an estimation of fuel use for the upcoming 12 months at time of registration, including a midyear review.

Maritime transport fuels

Marine transport effectively pays no excise on the fuel they use, as their excise is offset under the fuel tax credits scheme. An effective carbon price will be put on those activities through reduced fuel tax credit entitlements.

Fuel tax credit reductions (Figures are in cents per litre except for CNG and LNG which are in cents per kilogram.)

Fuel	2012-13	2013-14	2014-15
Petrol	5.52	5.796	6.096
Diesel and other liquid fuels	6.21	6.521	6.858
LPG	3.68	3.864	4.064
LNG & CNG	6.67	7.004	7.366

Aviation transport fuels

As aviation fuels do not receive fuel tax credits, domestic aviation fuel excise will be increased by an amount equivalent to the carbon price on an annual basis over the fixed price period to provide an effective carbon price for aviation.

Carbon price impact on aviation fuel, cents per litre (Figures are in cents per litre except for the Carbon Prices which are in dollars per tonne.)

	2012-13	2013-14	2014-15
Carbon price (\$/tonne CO ₂ -e)	23.00	24.15	25.4
Aviation kerosene	5.98	6.279	6.604
Aviation gasoline	5.06	5.313	5.588