

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Supplementary Budget Estimates
2014 - 2015

Department/Agency: Treasury
Question: SBT 4343-4345
Topic: Tariff Revenue
Reference: 11 November 2014
Senator: Carr, Kim

Question:

- 4343. Has Treasury done any modelling on the tariff revenue effect for the JAEPA? If so, what is the tariff revenue effect over the forwards? Will this will be included in MYEFO?
- 4344. Has there been any modelling on the tariff revenue effect for a Chinese Free Trade agreement? What would be the effect of a comprehensive FTA with China on tariff revenue?
- 4345. Are there any plans in place to deal with reduced tariff revenue from a free trade agreement with China or any other future trade agreements?

Answer:

- 4343. The Japan-Australia Economic Partnership Agreement (JAEPA) financial implications are detailed on p103 of MYEFO. As noted on page 5-7 of Budget Paper 1: *Budget Strategy and Outlook 2014-15*, a provision for the JAEPA was included in the 2014-15 Budget.
- 4344. Treasury, in consultation with the Department of Foreign Affairs and Trade and other relevant agencies, models the impact on the budget of all free trade agreements (FTAs) that are currently being negotiated for advice to the Government. The cost to revenue is dependent on the schedule of tariff reductions agreed to in the FTA.

Estimates of the budget impact of an FTA with China will be published in the Budget or MYEFO following the signing of the FTA.
- 4345. The Government is committed to its fiscal strategy that places the budget on a sustainable path to surplus.