

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 105

Topic: Mining Industry Subject to Reduction in Fuel Credit

Hansard Page: Wednesday 30 May 2012, page 110

Senator BOSWELL asked:

Senator BOSWELL: It clearly does not. Mining has not had its excise rate reduced, but it clearly states here that mining has gone from 38c to 32c. It may be some particular aspect to mining. It is on your notification. Surely someone must know why mining is there?

Mr Heferen: Again, the treatment of the carbon price and whether it is the explicit price or the price that is done in a de facto or effective way through changing the excise credit system—we would have had people here earlier to deal with that, but it sounds like that is the impact of the carbon price.

Senator BOSWELL: I know it is the impact of the carbon price, but what sectors of the mining industry is it applying to? It is not for the machines that actually extract the minerals, because there would have been a huge debate about that. It must be a small sector in the mining industry. Can you find that out?

Mr Heferen: We will take that on notice.

Senator BOSWELL: Thank you

Answer

The reduction in fuel tax credits will apply generally to the mining industry and this will usually include all off-road, fuel-using activities.