

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 640

Topic: Revenue Estimates for Carbon Price on Liquid Fuels

Hansard Page: Written

Senator Birmingham asked:

640. How much revenue is estimated to be raised as a result of:

- a) the effective carbon price applied to businesses combustion of liquid fuels from 2012-13;
- b) the effective carbon price applied to aviation fuel from 2012-13; and
- c) the effective carbon price applied to heavy on-road vehicles from 2014-15.

Answer:

- a) and b) The Government will raise revenue by applying an effective carbon price on the combustion of liquid fuels through increases to the excise and excise-equivalent customs duties on aviation and non-transport gaseous fuels. In the *Mid-Year Economic and Fiscal Outlook 2011-12* this measure was estimated as raising \$920 million in revenue over the period 2012-13 to 2014-15.

This estimate does not include the effect of those businesses that choose to opt into the carbon pricing mechanism.

- c) The effective carbon price for heavy on-road vehicles will be implemented by adjusting the fuel tax credits paid to operators of such vehicles. Fuel tax credits are budget outlays and have no impact on revenue collections.

Some heavy on-road vehicle operators may choose to opt into the carbon pricing mechanism. The impacts from the opt-in arrangements on revenue and outlays are not separately estimated in the Budget.