

27 April 2017

Red Tape Committee
Department of the Senate
PO Box 6100
Canberra ACT 2600

Dear Senators

Re: Follow up answers to questions on notice

During the inquiry sittings held in Sydney, I advised the Committee that I would provide follow up answers to some questions put to the industry panel.

The questions were:

1. How much it costs to collect the ad valorem duty.

A big feature of the administration of the ad valorem duty is in the set-up of individual products in our accounting system (to either flag that ad valorem duty is payable or that it is not). Once set up, the system automatically calculates the amount of ad valorem duty to pay, based on product sales in the preceding week. The cumulative set-up cost of all Amatil products attracting ad valorem duty is approximately \$500 involving approximately 20 hours of a graduate accountant's time.

Each week, the customs duty return is checked and provided to our customs broker who submits a return to the Government and Amatil then pays the duty. Approximately one half of this return involves tariff codes attracting ad valorem duty. The whole return takes approximately 5 hours per week to prepare and submit (this includes the excise component and the ad valorem component). We estimate that the total cost of preparing, checking and submitting the ad valorem duty component of the return per annum is \$20,000.

2. Which State undertake liquor licensing administration the best?

Amatil holds a variety of liquor licences across Australia. Some States have more onerous requirements to meet than others. For example, we submit quarterly or annual wholesales sales returns in WA, Qld, NT and Victoria. Because of the nature of information required, it takes between 5 and 40 hours to prepare returns.

If we look solely at administrative requirements to maintain liquor licences and to amend them as required, then we would say that Tasmania is the "easiest" - but it suffers from a lack of



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automation (it does not have a user friendly publicly accessible database of liquor licences and does not have an automated system for submission of liquor licensing documents).

NSW is probably the next best – but it suffers from a lack of personnel to process applications in a timely fashion.

If the Committee requires further clarification of these matters, please do not hesitate to contact me.

Yours sincerely

Shane Richardson
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Coca-Cola Amatil (Aust) Pty Ltd