

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: **AET 3040-3041**

Topic: **Regionally based agricultural industries**

Hansard Page: **page 106, 26 February 2014**

Senator EDWARDS asked:

3040-3041. Senator EDWARDS: Can you list for me any other agricultural, regionally based industry whose sales tax on the product which it makes raises that level of income in any year for Treasury?

Mr Heferen: Beer would.

Senator EDWARDS: I am talking about an agriculturally based regional industry. Beer is made in factories—

Mr Heferen: Compared to wine—

Senator EDWARDS: in suburbs in Melbourne, Sydney and Hobart.

Mr Heferen: I beg your pardon.

Senator EDWARDS: And it is made 365 days a year, whenever they want to turn the tap on.

Mr Heferen: We will take that question on notice.

Senator SINODINOS: Do you have cider there?

Senator EDWARDS: I think cider is subject to the tax rebate.

Mr Heferen: Wine would probably be the biggest, but of course the wine going off volume with the rebate and so forth to get the breakdown—because a lot of wine would not be—

Senator EDWARDS: Subject to the tax. The question I am asking is: is there another regionally based agricultural industry that raises \$700 million net, straight in the skyrocket for the Treasurer, in this country in any one year? The fruits of all those wine producers' labours, the sales and their efforts in marketing raise \$700 million for the Treasurer. The Treasurer does not actually make the wine. He does not sell it or market it. He does not build his brands, build his labour or do anything. He clips the ticket for \$700 million net a year from the Australian wine industry. Is there any other industry that comes close to raising that amount of money?

CHAIR: Mr Heferen, did you indicate you were taking that on notice?

Mr Heferen: Yes, we will take it on notice, of course.

Senator EDWARDS: Can you list them and the value for me, please?

Mr Heferen: Yes.

CHAIR: That sounds persuasive.

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Senator Pratt interjecting—

Senator EDWARDS: No. I am just looking at the contribution that the Australian wine industry makes to—

Senator SINODINOS: Agent provocateurs. They cannot grow it—

Senator EDWARDS: What other agricultural regional based rural industries are taxed over the level of this country's GST rate of 10 per cent?

Mr Hefernen: We will take that on notice.

Answer:

3040-3041. No other agricultural or regionally-based industry has a sales tax on its products which raises a similar level of general revenue for the Commonwealth, nor do any have a sales tax over 10 per cent.