

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 81

Topic: Excise on Tobacco

Hansard Page: Written

Senator Bushby asked:

- Could Treasury advise what assumptions they have used when forecasting these increases in revenue from tobacco excise over the forward estimates?
- If quantities are forecast to increase over time – does this increase incorporate a reduction in consumption based on the government's proposal for plain packaging of tobacco products?
- Has Treasury been asked to model the effect of the government's proposal to introduce plain packaging for tobacco and its likely impact on forecast excise revenue?
- Can you take us through how the proposed plain packaging initiative will impact the government's forecast excise revenue from tobacco?
- The legislation is planned to take effect from 1 July 2012, the year the Government is forecasting a surplus. Will the surplus be affected by a reduction in excise on tobacco as a result of these changes?

Answer:

- Tobacco excise is collected by the Australian Taxation Office on tobacco that is manufactured in Australia and 'cleared' through the tax system. An excise-equivalent rate is payable on tobacco that is imported into Australia and 'cleared' by the Australian Customs and Border Protection Service.
- The estimates in the 2011-12 Budget include all announced Government measures.
- The 2011-12 Budget includes the following estimates for tobacco excise revenue

•	• 2011-12	• 2012-13	• 2013-14	• 2014-15
• Tobacco excise duty	• 5,830	• 5,780	• 6,120	• 6,490