

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2014 - 2015

**Department/Agency: IGT**

**Question: SBT4254-4256**

**Topic: Lost revenue on grey market cigarettes**

**Reference: written - 30 October 2014**

**Senator: Edwards , Sean**

**Question:**

4254. Do you concur with a KPMG report published on 3 April 2014 titled “Illicit Tobacco in Australia” which estimated \$1.1 billion in cigarette taxes is being lost due to tobacco smuggling? If not, what is your estimated or known alternative amount?
4255. What efforts have been made to stop this?
4256. Can you quantify the nett tax revenues the ATO receives from the Australian wine industry?

**Answer:**

4254. At first instance, the Australian Taxation Office would be the most appropriate agency to answer this question as they have sole responsibility for administration of the tax system. The Inspector-General of Taxation (IGT) has not conducted a review into this area to date and is unable to provide a response at this time. However, the IGT would be happy to consider a request to conduct such a review in the future.

By way of background, the IGT undertakes reviews into systemic tax administration issues pursuant to the *Inspector-General of Taxation Act 2003*. Under the Act, the IGT is required to undertake public consultation and select a program of reviews based on such consultation. In setting the work program the IGT is conscious of maximising improvements to tax administration for as many taxpayers as possible.

It should be noted that the Minister may also direct the IGT to undertake a review while the Commissioner of Taxation, Parliament or committees thereof may request a review.

4255. Refer to SBT 4254 above.

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