

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2015 - 2016

Department/Agency: Treasury

Question: SBT 61-62

Topic: Tobacco

Reference: Written - 28 October 2015

Senator: Leyonhjelm, David

Question:

In the context of those tobacco-related questions taken on notice, further questions are as follows:

61. Professor Davidson used the data released on the Treasury FOI log to calculate that tobacco clearances, after accounting for refunds arising from plain-packaging-related product destruction, increased by 0.5 per cent from the year prior to plain packaging becoming fully operational on 1 December 2012, to the year immediately after.
 - o Can you confirm that this result can be calculated from the data released on the Treasury FOI log?
 - o Can you advise of any errors in Professor Davidson's use of the data?
62. Please rank the defensibility of Professor Davidson's three calculations — a 3.4 per cent decline, a 0.8 per cent decline, and a 0.5 per cent increase — as indicators of the change in legal tobacco consumption from the year prior to plain packaging becoming fully operational, to the year immediately after.

Answer:

61. It is not correct to attribute all plain packaging related refunds to clearances processed by the Department of Immigration and Border Protection (Formerly the Australian Customs and Border Protection Service) between December 2011 and November 2012.

The Department of Immigration and Border Protection (formerly the Australian Customs and Border Protection Service) has advised Treasury that refunds paid under the Tobacco Refund Scheme cannot be linked back to original clearances which in some cases may have occurred before December 2011. This is why the information is disclosed separately in the document released under FOI request 1703.

62. While tobacco clearances are an indicator of tobacco volumes in the Australian market, there will be lags between clearances, entry into the market, purchase by consumers and eventual consumption.