

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 1 to 4 June 2004

**Question: Bud 31**

**Topic: Changes to Duty Free Concessions**

**Hansard Page: E108**

Senator O'Brien asked:

I refer to my question in the Senate, No. 2576, which appeared on the *Notice Paper* on 1 March and remains unanswered. According to statements by Ministers Hockey and Ellison on 18 September last, Senator Coonan wrote to the states and territories seeking their agreement to changes to duty free concessions. I wanted to confirm that that is what had happened.

**Senator Coonan**—Yes, that is right.

**Senator O'BRIEN**—Is it possible to see a copy of the letters sent to the states and territories?

**Senator Coonan**—I will just consider that, Senator O'Brien, but I must say, off the top of my head, I cannot see any reason why not.

**Senator O'BRIEN**—Can you explain to the committee the linkage between the federal government and state and territory governments on this issue?

...

I presume some modelling or analysis has been performed by Treasury to determine the cost to the Commonwealth of the proposed changes.

**Senator Coonan**—As I just said, there are a lot of assumptions built in that there would be some behaviour changes, but basically the whole measure is really about administrative efficiency whereby, without putting too fine a point on it, you release Customs to do what they are there to do and they are not there policing duty free entries. It is a sensible set of arrangements and I am very hopeful that we will have agreement shortly.

**Senator O'BRIEN**—And this modelling was done by Treasury?

**Senator Coonan**—Well, they were the figures given to me, and it was based on assumptions as to take-up—you know, just that you change behaviour if people obviously know that they can go down the green line instead of the red line.

**Senator O'BRIEN**—Is that documented and can it be provided to the committee?

**Senator Coonan**—I will just see what might be able to be provided.

**Senator O'BRIEN**—Could you advise the committee of the appropriation made for this measure for the coming financial year and the following three out years?

**Senator Coonan**—I am afraid I cannot off the top of my head, but if it can be re-agitated with the relevant officials we will get that information for you.

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Answer:

A response to this question is contained in Supp 56 of the Supplementary Budget Estimates of 6 November 2003.