

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 1 to 4 June 2004

Question: Bud 58

Topic: Cellar Door Rebate – Consultations with DFAT

Hansard Page: E112

Senator Wong asked:

Is there a reason why Treasury chose not to consult DFAT given it does have some trade implications?

Mr Tilley—I am not sure they would agree it has those implications.

Senator WONG—Who is 'they'—DFAT?

Mr Tilley—In a tax measure, it is not immediately obvious that you would consult DFAT.

Senator WONG—So is it your view or Treasury's view that there are no implications for the CER of this measure?

Mr Tilley—That is really for the trade people to make an assessment of. I do not know what the answer to that is. But, if you have asked them those questions, I am sure they have given answers.

Senator WONG—Presumably someone must have made a decision to not consult them; therefore, presumably, it is on the basis that they did not think it was relevant. Is that right?

Mr Tilley—I am happy to take the question on notice and check what DFAT have said.

Senator WONG—I presume Treasury is aware of the CER?

Mr Tilley—Indeed.

Senator WONG—And that we do import New Zealand wines, for example.

Mr Tilley—And wines from many other countries as well.

Senator WONG—No-one in Treasury turned their mind to whether or not this tax would have some implications on the CER?

Mr Tilley—I am not sure. I am happy to take the question on notice and check with the Trade people what their view is on that.

Answer:

The Wine Equalisation Tax (WET) producer rebate policy concerns circumstances under which WET paid would be refunded to producers who are registered for WET. The refund is not a subsidy or grant and as such DFAT was not consulted during the

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 1 to 4 June 2004

development of the budget measure. This did not prevent consultation with respect to implementation.