

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 1 to 4 June 2004

Question: Bud 59

Topic: DFAT Advice on Implications of CER

Hansard Page: E113

Senator Wong asked:

How does this usually work? If there are matters that might particularly affect the CER, would that be something Treasury would normally seek advice from DFAT about or do you assess the implications yourself?

Mr Tilley—I am not aware of how CER issues are dealt with, but I can take that on notice, if you like, and seek some further clarification.

Senator WONG—One of the articles in the CER talks about fair competition. I suppose the New Zealand argument would be that this rebate gives Australian wine producers a cost advantage vis-a-vis their New Zealand competitors.

Mr Tilley—I understand that that is the issue that has been raised by the New Zealand Treasurer.

Senator WONG—Didn't anyone consider that before the budget measure was announced?

Mr Tilley—I think I have answered that question.

Senator WONG—Which was?

Mr Tilley—I am not aware of this being a consideration in the development of the measure.

Senator WONG—Perhaps on notice you can find out whether there was any advice from DFAT about the implications for CER of the budget measure that has been announced. If so, on what date?

Mr Tilley—Okay.

Answer:

As indicated in reply to QON BUD 58, DFAT were not consulted during development of the budget measure. Since the measure was announced, New Zealand has raised concerns and these have been the subject of consultations between a number of Departments including Treasury and DFAT.