

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates 1 - 2 November 2006

Question: sbt 48

Topic: Motor vehicles customs duty

Hansard Page: E87

Senator SHERRY asked:

The forecast for passenger motor vehicles customs duty of \$1.3 billion in 2006-07 and the final budget outcome for 2005-06 fell short by \$129 million from the 2005-06 estimate. What was the cause of that variation?

Mr Ray—I think the short answer is that it would have had something to do with clearances of passenger motor vehicles. I am not aware of the detailed reason; it is not something we have looked at closely, but I am aware—

Senator SHERRY—A 10 per cent variance—

Mr Ray—I am aware that there has been a change in the structure of sales of passenger motor vehicles, which may well have affected it during the course of the year.

Senator SHERRY—Would you take that on notice and just provide us with a bit more information as to the issue there?

Mr Ray—I can take it on notice to see if we can find you a bit more information.

Answer:

While there was a shortfall in passenger motor vehicle customs duty (PMV) accrual revenue in the 2005-06 Final Budget Outcome, the PMV cash receipts outcome was close to that forecast in the 2006-07 Budget. The revenue shortfall is the result of lower than expected revenue recognised but not yet received.