

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 659

Topic: Duty-Free Cigarettes

Hansard Page: Written

Senator Bob Brown asked:

659. What is the cost of allowing cigarettes to be purchased duty-free at airports?
- a) Firstly, just in the narrow sense of the loss of revenue from not applying duty.
 - b) Secondly, including the costs of thereby encouraging more smoking.

Answer:

- a) The *Australia's Future Tax System* report estimated the cost to revenue of duty free tobacco to be in the order of \$200 million per year (*Australia's Future Tax System*, p. 455).
- b) Expenses to the Budget from smoking behaviour are a matter for the Department of Finance and Deregulation; the Department of Health and Ageing; and the Department of Families, Housing, Community Services and Indigenous Affairs.