

Senate Standing Committee on Finance and Public Administration

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Hearing 26 May - 27 May 2008



Question: PM61

Outcome 1, Output 1.1

Topic: Costing for tax on RTDs policy

Hansard Page: F&PA73

Senator Colbeck asked: We will take it on notice. There was some evidence given last night in respect of the policy for tax on RTDs. I understand that the officials that deal with social policy and economics are not here, but you may be able to help me Mr Mrdak. The evidence last night was that there were two pieces of advice provided to the Prime Minister with respect to that policy in early April, prior to the announcement of the intention to increase the tax. I think it was on 26 April. Can you tell me who provided the advice on the costings for that policy? Was it the economic section of PM&C or was it Treasury?

Mr Mrdak-I think the advice was that any modelling done of the excise issues would have been done by Treasury, not by the Department of the Prime Minister and Cabinet.

Senator COLBECK-Treasury provided the advice for the 26 April announcement which was effectively that the receipts for the measure would be \$2 billion over four years?

Mr Mrdak-That would be my understanding. I will check that and come back if it is any different. I am not aware that our department would have done any modelling on this matter.

Senator COLBECK-It would not have come out of the economics section of the Department of the Prime Minister and Cabinet?

Mr Mrdak-No, that is unlikely. All of the revenue modelling would have been done out of Treasury. If there is anything further to add, I will come back to you.

Answer: As stated by Mr Mrdak, Treasury provided the advice on the costings of the policy.