

From: Accounts [mailto:accounts@vitalindustries.com.au]
Sent: Wednesday, 24 May 2006 1:52 PM
To: Economics, Committee (SEN)
Subject: Changes to the Excise Levy
Importance: High

The Senate Committee on Excise Levy

Please accept this email as our submission on the planned changes to the Excise Levy.

The planned changes will affect our business in several key areas.

Firstly it will have a substantial negative impact on our cash flow and working capital due to the time lag inherent in the BAS return. It will also force us into a position of reporting BAS monthly thus increasing our cost of compliance. For small and medium businesses such as ours these are significant issues that have the potential to force business closures.

Secondly, the proposed changes, if enacted in their current form have the potential to cause us major difficulties if a customer is declared bankrupt. Our company would find itself in the untenable position of having remitted the excise levy but not receiving the payment from the customer.

Yours faithfully,

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