

TOBACCO TAX WINDFALL

**194. Mr N.R. MARLBOROUGH to the Minister for Consumer and Employment Protection:**

What is the State Government's response to the Howard Government's decision not to recover the \$240 million tobacco tax windfall that will now benefit tobacco companies rather than consumers?

**Mr J.C. KOBELKE replied:**

I thank the member for some notice of this question. This response from the federal Government is absolutely unbelievable. Hon Helen Coonan, the Minister for Revenue and Assistant Treasurer, made an announcement this week trying to put the blame back on the States. The High Court handed down its decision on 5 August 1997 declaring that the state and territory taxes in this area were unconstitutional, and the States were not able to take up the issue of whether money paid for tobacco taxes could be collected by the States. Some \$240 million was collected in the intervening five weeks. The wholesalers or the tobacco companies, which now hold that money, have absolutely no right to it. People across Australia have instituted a range of legal proceedings in an endeavour to get hold of part of that \$240 million. The Commonwealth Government must sort out this issue in an expeditious way and make sure the money is applied to good purpose. The commonwealth minister is saying that the States are responsible for trying to regain any part of their taxes forgone. This State is not claiming that it has forgone taxes; it is claiming that the tobacco companies, the tobacco wholesalers and the tobacco retailers have no right to this money; it is money that has been paid by consumers and is currently sitting with the tobacco industry. It is up to the federal Government to properly appropriate that money and put it to good use.

*Point of Order*

Mr R.F. JOHNSON: I thought questions to ministers had to relate to their portfolios. This question should have been directed to the Treasurer as it deals with a financial matter. I do not see how it falls within this minister's responsibility.

Mr J.C. KOBELKE: Along with the Minister for Health, I was responsible for taking a minute to Cabinet, following which Cabinet made a decision to adopt a position on this issue. I have had carriage of this matter as the Minister for Consumer and Employment Protection.

The SPEAKER: The question was directed to the minister in his role as Minister for Consumer and Employment Protection. It is an appropriate question.

*Questions without Notice Resumed*

Mr J.C. KOBELKE: Interjections from those opposite indicate that the Liberal Opposition in this place is just a running dog for the tobacco industry; it does not want the federal Government to get stuck into the tobacco industry in an effort to retrieve this \$240 million and return it to the health services in this State or to antitobacco programs, where the money should go. The Commonwealth is totally rejecting its responsibility to act; we will continue to pursue the Commonwealth so that appropriate action is taken to have that money put to good use.