

1	8	Patrick	Air Travel Expenses	<p>For FY 16/17:</p> <ol style="list-style-type: none"> <li>1. Please provide details of the Qantas/Virgin split for official travel in terms of: <ol style="list-style-type: none"> <li>a. Total number of tickets</li> <li>b. Total value spent for official travel?</li> </ol> </li> <li>2. In the event there is a disparity of greater than 65/35 in the split (either way), please provide a detailed reasons for the split in the context of a lowest practical fare policy.</li> <li>3. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only the Qantas Chairman's Lounge? <ol style="list-style-type: none"> <li>a. Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>4. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only Virgin's The Club? <ol style="list-style-type: none"> <li>a. Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>5. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from both the Qantas Chairman's Lounge and Virgin's The Club?</li> </ol>	ABS	Written
2	1	Ketter	Multi-Agency Data Integration Project	<p>Senator KETTER: Have you been involved in a privacy impact assessment process with Treasury on the Multi-Agency Data Integration Project?</p> <p>Mr Kalisch: I will leave that to Teresa Dickinson. We're involved and are the lead agency in a privacy impact assessment for MADIP with a number of agencies, but I can't recall that Treasury was part of that consortium.</p> <p>Ms Dickinson: There was no particular partnership with Treasury over that piece of work. It was done across a number of agencies.</p> <p>Mr Kalisch: It was ourselves, Department of Health, Department of Social Services, Taxation Office—</p> <p>Ms Dickinson: Human Services.</p> <p>Senator KETTER: Treasury had no involvement in that whatsoever?</p> <p>Mr Kalisch: No.</p> <p>Senator KETTER: Can you tell me who instigated that privacy impact assessment process?</p> <p>Mr Kalisch: The ABS instigated it, and it was done by an independent consultant.</p> <p>Senator KETTER: There was no advice or data to Treasury from this project before the privacy impact assessment process was concluded?</p> <p>Mr Kalisch: Not that I'm aware of.</p> <p>Senator KETTER: Could you take that on notice?</p> <p>Mr Kalisch: I'll take it on notice and check.</p>	ABS	Wednesday 30 May
3	4	Wong	Overseas Staffing	<ol style="list-style-type: none"> <li>1. How many staff of the Australian Bureau of Statistics are based overseas?</li> <li>2. Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</li> <li>3. Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</li> <li>4. And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</li> </ol>	ABS	Written

4	1	Hanson	Permanent Migration	<p>Senator HANSON: You've got permanent residents moving to Australia at around 270,000 a year, plus you've got your natural increase. Now, the ABS publish the natural increase figure, which is the difference between births and deaths, and the ABS estimated that figure to be close to 156,000 people in 2017. If I assume that natural increase figure is much the same in 2018 then the permanent increase in population is 207,000 plus 156,000, or 363,000 people. The contribution made by permanent migration is, by my calculation, around about 207,000—or 363,000 with natural increase—or 57 per cent. Would you agree with that?</p> <p>Senator Cormann: I'd have to consider those calculations on notice. I'm reluctant—and I'm sure the officers at the table would be reluctant—to give you a yes or no answer to that on the basis that we'd want to have a look at those numbers. I'm happy to take that on notice and provide you with a reply to that, Senator Hanson.</p> <p>Senator HANSON: Close to 60 per cent of the permanent population increase comes from permanent immigration, but the Treasurer in the radio interview said it is around 20 per cent. I ask the question: what benefit is there to the government in understanding the contribution of permanent migration to population growth?</p> <p>Senator Cormann: [...] I've already indicated that we would take that on notice to assess the numbers that you've put on the record and to provide an explanation. If there are issues with the way that we've presented it, we'll explain why. Again, there are a range of factors that go into economic growth into the future, and obviously migration is one factor.</p>	ABS	Tuesday 29 May
5	9	Griff	Public Non-Financial Company (PNFC) status	<p>regarding nbn co's Public Non-Financial Company status:</p> <ol style="list-style-type: none"> <li>1. What criteria are used to determine PNFC status? <ol style="list-style-type: none"> <li>a. Are the criteria publicly available? If not, why not?</li> </ol> </li> <li>2. Does the ABS regularly review the PNFC status of nbn co? <ol style="list-style-type: none"> <li>a. If so, when was this review and what, if anything, was the trigger?</li> <li>b. If not, why not? What trigger would be required?</li> </ol> </li> <li>3. Does nbn co still meet the business case that qualified it for PNFC status?</li> </ol>	ABS	Written

6	2	Ketter	Staff reductions — head office and regional offices	<p>169 staff. Can you confirm that?</p> <p>Mr Kalisch: That's the average staffing level change that's reported in the budget paper.</p> <p>Senator KETTER: Has the ASL cap had an impact on staffing at the ABS?</p> <p>Mr Kalisch: At the moment the issue that we have is really an affordability one rather than the cap being a constraint on the staffing that we have.</p> <p>[...]</p> <p>Senator KETTER: What areas of the ABS have the staff cuts come from?</p> <p>Mr Kalisch: That change from 2017-18 to 2018-19 can be largely explained by the marriage law survey. The marriage law survey accounts for a considerable change of 70 between the two years. We received an increase of 70 in our ASL cap to undertake the marriage law survey. That was attributed in 2017-18. And you will notice that that number in 2017-18 that's now reported in the budget papers is higher than the number that was estimated for 2017-18 in the previous year's budget papers, which didn't account for the marriage law survey, because none of us knew it was going to happen.</p> <p>Senator KETTER: But you're down by 169 over the past 12 months?</p> <p>Mr Kalisch: Taking one year to the next year, yes.</p> <p>Senator KETTER: That's still a reduction, is it?</p> <p>Mr Kalisch: It's really about I suppose 80 staff overall, once you take out the marriage law survey.</p> <p>Senator KETTER: And where have those 80 staff come from?</p> <p>Mr Kalisch: Those 80 staff are being reduced across the nature of our business. We are reducing staff in our central office. We're reducing staff in most of our offices and really looking at how we can continue to deliver the quality program that people expect from the ABS with slightly fewer staff. That's really the nature of efficiency dividends and whole-of-government savings that all agencies are having imposed upon them.</p> <p>Senator KETTER: Can you on notice provide a breakdown as to where those reductions have occurred—head office and regional offices as well?</p> <p>Mr Kalisch: We can give you a sense of where they have taken place over the last year. We're still working through our budget this year as to what is likely to happen for 2018-2019.</p>	ABS	Wednesday 30 May
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7	1	Whish-Wilson	Wellbeing Index	<p>Senator WHISH-WILSON: The Kiwis a couple of weeks ago said they were going to be releasing their wellbeing budget structure looking at four types of capital—an ambitious project. When I started here in 2012 the ABS were looking at setting up alternative indices to GDP and other economic indicators. That hasn't continued, for obvious reasons: funding has been pulled, probably due to a lack of political interest. Have there been any discussions between yourselves, Treasury or any other divisions about a similar approach in Australia?</p> <p>Mr Kalisch: Not that I'm aware of. We quite regularly have conversations with our New Zealand colleagues and the international statistical community around measuring GDP and other dimensions of wellbeing. We're also involved with the OECD committee that looks at measuring wellbeing in different dimensions, so we are still part of that international dialogue and conversation.</p> <p>Senator WHISH-WILSON: How difficult do you think it will be for New Zealand, based on your previous experience with setting up these indices, and how easy would it be for us to resource a similar thing?</p> <p>[...]</p> <p>Mr Kalisch: [...] We will also look at what happens across different parts of the world. The key thing with some of these wellbeing indices is it depends on how you structure them as to how useful they are. Part of the dimension comes to some real judgements—</p> <p>Senator WHISH-WILSON: Subjective.</p> <p>Mr Kalisch: the extent to which it is very subjective or normative, the usefulness of some of those indicators and the extent to which you look to do it in parallel with other indicators.</p> <p>Ms Dickinson: The only thing I would add is that the New Zealand approach doesn't produce one index number for each of those four dimensions; it's a scorecard approach across economic, social, environment—a scorecard is being developed in each of those dimensions. That's the type of thing we used to do at the ABS when we had our Measuring Wellbeing program.</p> <p>Senator WHISH-WILSON: When was that officially ended?</p> <p>Mr Kalisch: I think it was ended in 2014.</p> <p>Senator WHISH-WILSON: Will they be the first country in the world to deliver a wellbeing budget? That's what they claimed in their media release. Has anyone else delivered an annual budget with a wellbeing index?</p> <p>Mr Kalisch: We can take that on notice and get some information back to you.</p>	ABS	Wednesday 30 May
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8	18	Reynolds	ACCC Expenditure	<p>2. What was the total expenditure of the ACCC for the last FY?</p> <p>3. How much of the total expenditure (employee benefits, legal expenditure and other expenditure of the ACCC) in the past FY was for enforcing compliance in all the industries for which ACCC is the regulator? Can you break that down by State? Same question for each of the last 5 years?</p> <p>4. Can you break that expenditure spend on compliance down by industry – gas, telecommunications, agriculture etc? In the last FY and in the last 5 years?</p> <p>5. How much is expended by the ACCC on enforcing compliance in the agriculture industry? By ACCC regional office?</p> <p>6. Within agriculture, how much is expended on the grains industry? By State? In the last FY and in the last 5 years?</p> <p>7. What percentage of the ACCC’s budget is expended on enforcing compliance in the grains industry?</p> <p>8. How many prosecutions has the ACCC commenced in the grains industry in the last 12 months? In the last 5 years?</p> <p>9. What is the amount of any financial penalties or fines that were imposed as a result of ACCC prosecutions that were commenced in the grains industry in the last FY, and last 5 years? By state?</p> <p>10. What legislation, regulations or industry codes does the ACCC oversee in the grains industry?</p> <p>11. How much was expended by the ACCC in the last FY and last 5 years in overseeing compliance with the Wheat Port Code? How many prosecutions were brought by the ACCC in those periods for alleged breaches of the Code? How many convictions were successful as a result of those prosecutions? What is the value of any financial penalties or fines that were imposed as a result of ACCC prosecutions?</p> <p>12. What is the budgeted Average Staffing Level (ASL) of the ACCC? What is the actual ASL of the ACCC? Why is the actual ASL much higher than the budgeted ASL? What efforts are being made to decrease ASL to the budgeted amount? What is the actual ASL of the ACCC for each of its regional offices?</p> <p>13. The ACCC has recently made a submission to the Department of Agriculture seeking additional regulation of the grains industry via expansion of the Wheat Port Code – what is the regulatory expansion that has been sought by the ACCC?</p> <p>14. How much more of the grains industry is it estimated will be covered as a result of the increased regulation advocated by the ACCC (eg commodities, entities, activities)?</p> <p>15. What is the estimated increase in ASL for the ACCC to monitor compliance with the increased regulatory scope of the Wheat Port Code it has sought? What is the estimated increase in budget and expenditure for the ACCC for the increased regulatory scope? If no estimates have been made, why not?</p> <p>16. In its most recent submission, the ACCC has stated that extending the regulatory scope of the Code will not impose “significant additional upfront regulatory cost” – is that in reference to the cost imposed on industry for complying with</p>	ACCC/AER	Written
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9	1	Patrick	AirServices Scrutiny	<p>Senator PATRICK: Airservices under FOI disclosed that they had to reduce the scope of a Defence project to fit within a fixed budget. In the letter Airservices wrote to Defence they said:  ... I would like to reassure you that Airservices will provide at no cost to Defence, the facility and equipment necessary in Brisbane and Melbourne Centres to accommodate the consolidation of Darwin, Townsville and Nowra approach services. We would intend to recover these costs by extending our existing charging regime at Darwin and Townsville for civilian aircraft.</p> <p>In effect they were saying that, to manage a Defence related contract—they're in a monopoly supply situation—they were going to pass on the cost to a particular bunch of users. They have since retracted that. How do you manage Airservices in respect of that monopoly arrangement? Do you audit them from time to time?</p> <p>Mr Sims: I may have to take that on notice, unless someone—we do have some regulatory responsibility for what they do with their charges, but I'd have to get back to you to give a better answer, sorry.</p> <p>Senator PATRICK: I would be very interested in anything you can provide us. We have an inquiry into the cost of regional airfares, for example, and Airservices are part of that. It is a monopoly service. I wonder what powers you may have to examine that and look at the fairness of the charges, particularly in regional areas.</p> <p>Mr Sims: We'll get back to you. I'll take it on notice. We have some broad powers, but they're fairly broad. It doesn't come across our desk too much, but we do have some sort of role. We'll take that on notice and get back to you.[...]</p>	ACCC/AER	Wednesday 30 May
10	1	Ketter	Fuel Price-Cycle	<p>Senator KETTER: Going to this price cycle, deep-dive exercise that you were talking about. Are there further updates you can give us in relation to that, which we talked about in February? You might have already touched on all of that.</p> <p>Mr Sims: I think it will be our next deep-dive study. We're just about to release our latest quarterly report. That will come out early next week. With that out of the way, I imagine that the team is ready to go on the fuel cycle study.</p> <p>Senator KETTER: Is there any work anticipated to be completed between now and the next round of estimates in October?</p> <p>Mr Sims: I'll take that on notice about the exact timetable.</p>	ACCC/AER	Wednesday 30 May

11	11	Moore	CodeShare Arrangement	<p>1. When did the ACCC become aware of the proposed codeshare arrangement (“the agreement”) between Qantas and Air New Zealand (“the parties”)?</p> <p>2. How did the ACCC become aware of the agreement?</p> <p>3. Has the ACCC met with either of the parties and if so when and between whom did the meetings take place – please include any phone calls, teleconferences and video conferences?</p> <p>4. Has the ACCC been provided with any written material (including in electronic form) regarding the agreement – if so, can it be provided to the Committee?</p> <p>5. Has the agreement been discussed at any Commission meetings and if so when?</p> <p>6. Has the ACCC discussed the agreement with the New Zealand Commerce Commission, the Department of Infrastructure, Regional Development and Cities, or any other Commonwealth agencies, Ministers or Ministerial advisors and if so when and who was involved in the discussions? Did other parties express any view on the agreement and if so what?</p> <p>7. Does the ACCC consider the agreement may lessen competition and if so how and in relation to what markets?</p> <p>8. Does the ACCC consider the agreement will impact on the ability to compete either in Australian or trans-Tasman markets and if so how?</p> <p>9. Does the ACCC consider the proposal has any public benefits and if so what?</p> <p>10. Does the ACCC consider the agreement may require authorisation under section 88 of the Competition and Consumer Act 2010 (Cth).</p> <p>11. Does the ACCC intend undertaking any action in relation to the agreement and if so what?</p>	ACCC/AER	Written
12	1	Patrick	Infinity Cables	<p>Senator PATRICK: In one of my questions on notice, I quoted a number that Senator Madigan had asked about. He'd asked you about the internal cost to the ACCC involved and he'd got a number back of about \$230,000 and then another \$81,000. I've asked the question and you've said you're not able to give me an answer to that. Has something changed? Do you no longer track—</p> <p>Mr Sims: To calculate what the cost has been to us—</p> <p>Senator PATRICK: To the ACCC.</p> <p>Mr Sims: The difficulty is we've got 40 to 50 safety people, and they do a range of things. So quite when they're working on this and working on that, I don't know. Whether you want to cost a bit of my time for doing it, it's a tricky issue.</p> <p>Senator PATRICK: An answer had been supplied to—</p> <p>Mr Sims: We've done various things. We've not only got the internal staff time; we have spent a bit of external time on these things. So I'm not quite sure—</p> <p>Senator PATRICK: Okay.</p> <p>Mr Grimwade: We have had to transfer a number of our recall staff to dedicate themselves particularly to the auditing process. But we've also procured some external testing. There are some costs associated with that. I don't have the costs to hand, but if you wish me to take—</p> <p>Senator PATRICK: Yes, take that on notice. [...]</p>	ACCC/AER	Wednesday 30 May

13	4	Williams	Franchising Sector Analysis	<p>1. In relation to the franchising sector, is it correct that a franchisor is not required to disclose any assessment or information as to why it establishes a franchise in a particular area?</p> <p>2. The Franchisor's revenue is derived from buy-back and resale of failed franchises, supplier commissions, a one-off fixed franchise fee, licence commissions, royalties and advertising fund. As these could be reflective of the strength of the partnership between the franchisee and franchisor, are these percentages monitored by the ACCC.</p> <p>3. It is apparent that written instructions to underpay employees are not enough to nullify a contract. What else is required from the franchisee for the Office of the Franchising Mediation Adviser to declare a contract invalid?</p> <p>4. From what I hear the existence of the Office of Franchising Mediation Adviser is not well known in the industry. What is being done to promote its services to those who could do with the advice and expertise?</p>	ACCC/AER	Written
14	1	Williams	Fuel Market Collusion	<p>The ACCC has done a lot of work on monitoring fuel prices around the nation. If there is no evidence of market collusion, is the only advice the ACCC can offer motorists is to shop around for the cheapest prices?</p>	ACCC/AER	Written
15	1	Ketter	Takata Airbag Recalls	<p>about whether their cars were affected in the past three months that have ended up on their compulsory recall list update?</p> <p>Mr Grimwade: I could give you some numbers in relation to contacts through our info centre in relation to Takata. I know that in the last two days we've had about 100 or so from the weekend and 60 of those related to the question, 'Is my car affected?' The majority of inquiries we get in relation to Takata ask, 'Is my car affected?' What we've now endeavoured to do with publishing this information is to give the information to consumers. They can now go onto our website and find out if their car is affected.</p> <p>Senator KETTER: But can you provide with us a list of those queries?</p> <p>Mr Grimwade: I can give you the number of contacts made to our info centre about Takata, but I don't think I can give you much more detail—</p> <p>Mr Sims: We'll give you what we can.</p>	ACCC/AER	Wednesday 30 May
16	1	Williams	Synthetic meat or Vegetable-based meat substitutes	<p>In relation to what is called synthetic meat or vegetable-based meat substitutes, is the ACCC comfortable with the fact these products are promoted as meat when in fact they are not in the true sense of the word?</p>	ACCC/AER	Written



17	1	McAllister	Regulatory Tax Approach 2018	<p>Senator McALLISTER: My question is also for the AER. I just want to talk about the review of the regulatory tax approach 2018. [...]</p> <p>[...]</p> <p>Senator McALLISTER: Understood. Just from a process perspective, did you, the AER, initiate the working group that was established in July last year?</p> <p>Mr Anderson: It was a discussion that arose amongst the agencies relatively simultaneously. There were discussions between Treasury, us, the ATO and the department of energy, and we all had similar issues at the same time.</p> <p>Senator McALLISTER: Okay. And did the minister provide any direction about the establishment of the working group, or was this something that was happening at officials level?</p> <p>Mr Anderson: It was happening at the officials level.</p> <p>Senator McALLISTER: Then, as you described it, the ATO did some work as a contribution to that working group. There was then a decision to initiate a more formal review. Who is the decision-maker in that case?</p> <p>Mr Anderson: The AER decided that, as the tax allowance forms part of our regulatory determinations, we should undertake that review, given the advice from the ATO.</p> <p>Senator McALLISTER: So you then briefed the minister?</p> <p>Mr Anderson: We briefed the department, yes.</p> <p>Senator McALLISTER: My apologies. You briefed the department of energy.</p> <p>Mr Anderson: Correct.</p> <p>Senator McALLISTER: Did you speak to the minister or his staff directly about it?</p> <p>Mr Anderson: I did not, no.</p> <p>Senator McALLISTER: Did the AER—there being a distinction, I suppose, between you and the institution?</p> <p>Ms Groves: It's possible that they may have, but we wouldn't know. We'll need to take that one on notice.</p>	ACCC/AER	Wednesday 30 May
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18	1	Williams	Australian Terrain Vehicle Assessment Project (ATVAP)	<p>suggested a number of changes to ATV suspension, stability and dynamic handling in order to meet a new Australian mandatory standard. Is the ACCC aware that the person from KND Consulting who devised and is proposing these changes is not an engineer?</p> <p>2. Is the ACCC relying upon independent engineering expertise to review the reliability of the TARS work?</p> <p>3. Coronial recommendations of 'the known safety practices' can demonstrate that mandating helmets, banning children under 16 years from riding adult size ATVs and banning passengers from single seat ATVs would reduce fatalities by over 50% immediately if legislated and enforced. The ACCC has reviewed the coronial outcomes in its Consultation Paper. In your investigation of the 29 cases , which of these fatalities do you believe would have not occurred as a result of your proposed recommendations?</p> <p>4.The Consumer Product Safety Commission (CPSC) in the USA completed similar vehicle tests to ATVAP in the late 1980's and 1990s and they came to quite different conclusions to the TARS Group. Is the ACCC aware that the CPSC also completed a hospitalisation study that compared different ATV vehicle characteristics to injuries, and when it did not find relationships between their proposed vehicle characteristics and higher injuries, that they dropped the same ideas that ATVAP is now proposing?</p> <p>5.In relation to the coronial inquests, the coroners found that the ATVAP was a good start but needed more work and should be based on evidence. Would the ACCC ensure that any proposed rating system is evidence-based?</p> <p>6. Is the ACCC aware that the authors of the ATVAP who gave evidence at the NSW and Queensland inquests made a number of serious concessions on their methods, the appropriateness and reliability of ATVAP, and also acknowledged that a star rating system should be based on evidence (despite them not supporting ATVAP with this type of evidence)?</p> <p>7. Will the ACCC, as part of the RIS process, take into account the findings of the coroners, the concessions of the authors and the criticisms made by more expert engineers?</p> <p>8. On the question of Operator Protective Devices (OPD's), a "real world survey" was carried out and found that ATV's fitted with a CPD had as many serious injuries as those ATV's without a CPD. Previous engineering research and a recent UNSW Quad Bike User Survey found that Operator Protective Devices cause just as many injuries as they protect. What evidence does the ACCC rely upon to come to its recommendation that Operator Protective Devices are a safety device and should be fitted in order to reduce injuries and fatalities?</p> <p>9. ATV fatalities in the USA have halved over the decade between 1999 and 2011. 47 States have legislated at least one of the following measures: Mandating Helmets; Banning children under 16 years from riding full size ATVs; and banning passengers from single seat ATVs. Should these methods be tried before the ACCC makes any engineering recommendations?</p>	ACCC/AER	Written
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19	1	Patrick	Product Recalls	<p>Senator PATRICK: [...] how many recalls have been done over the past financial year?</p> <p>Mr Sims: Across all products?</p> <p>Senator PATRICK: Yes.</p> <p>Mr Sims: Quite a few.</p> <p>Mr Grimwade: Five hundred in the last 10 months. We have, on average, 600 voluntary recalls notified to us each year. Of those, a very significant number—almost half—would be motor vehicle, therapeutic goods or food recalls. We do not have actual responsibility for leading and managing those recalls but they're notified to us and put on our website. We've got also got another 600 to 700 recalls which we're actively managing and assessing.</p> <p>Senator PATRICK: For those recalls, can you break that down into a percentage of imported products versus local products?</p> <p>Mr Sims: I'm sure we can. We'll take it on notice.</p> <p>[...]</p> <p>Senator PATRICK: How many people are on your mailing list for product recalls? I note you have about 8,000 Twitter followers.</p> <p>Mr Grimwade: I think I'd have to take that on notice.</p> <p>Senator PATRICK: Do you ever spend money on promoting tweets and such things to expand your contact in relation to recalls?</p> <p>Mr Sims: I don't think we do on tweets, subject to somebody—but we have occasionally with Facebook, where we've had a recall, I do remember our having funded a bit. It doesn't cost that much, but we have, to get a recall out there, done something that promotes it. I don't actually understand what we did, but I know we spent some money. We're happy to take it on notice.</p>	ACCC/AER	Wednesday 30 May
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20	11	Ketter	Competition penalties for AGL	<p>1. A recent media report relating to AGL, the Liddell power plant and competition law said “Government figures, including Prime Minister Malcolm Turnbull, have previously implied that AGL wants to close Liddell to reduce supply and increase power prices, which would benefit its neighbouring Bayswater power plant”. Under the current application of the anti-competitive conduct provisions in Section 46 of the Act, is it theoretically possible that such an action could be prosecutable?</p> <p>2. Has the ACCC provided advice and/or corresponded with the Treasury, Ministers, Members of Parliament, or developed internal advice, on potential anti-competitive implication of the AGL/Liddell station issue? If so, to whom and when?</p> <p>3. Has the ACCC provided advice and/or corresponded with the Treasury, Ministers, or Members of Parliament, or developed internal advice, on strengthening section 46 to include essential services explicitly in a manner that the sale of the Liddell power station may fall under the anti-competitive parts of the Act?</p> <p>4. Has the ACCC corresponded with or provided advice to the Treasury on the Liddell station matter and competition policy for the ACCC current review? What was the nature of that advice?</p> <p>5. Is it the ACCC’s view that for an anti-competitive action to be taken in regards to the Liddell power station closure, the Competition and Consumer Act would require amendments?</p> <p>6. To your knowledge, are there precedents for an Australian Government or regulator intervening to ensure private “companies could not withdraw supply of an essential service when it was economically viable for that supply to continue — such as the existence of an offer to buy the operation”?</p> <p>7. Has the Energy Minister told colleagues that the ACCC would investigate this matter?</p> <p>8. Has the Government suggested, discussed, or canvassed that if AGL does not sell the Liddell power station and does commit to their full “\$1.4 billion plan to replace lost capacity once Liddell closes, which includes a gas-fired plant, upgrading Bayswater and renewable energy generation” they may be action – regulatory or legislatively – that may affect AGL?</p> <p>9. Has the Government raised the anti-competitive issue with AGL? If so, when? What was the nature of that advice?</p>	ACCC/AER	Written
21	6	Ketter	Gas Prices	<p>1. In the ACCC’s view, what is a fair or efficient domestic gas price; in central Qld and in Victoria?</p> <p>2. What is the current gas price?</p> <p>3. Does the ACCC have a view of what the fair retail electricity price is in different jurisdictions?</p> <ul style="list-style-type: none"> <li>• (if so) Can you provide it?</li> <li>• (If not) Can the ACCC at least confirm that it is lower than the price Australian families are and have been paying?</li> </ul> <p>4. When will the ACCC review into electricity prices and competition be released? Will it be publicly released on this date, or will it be handed to Government?</p>	ACCC/AER	Written

22	9	Ketter	Investigations into Ethan Affordable Housing Pty Ltd and Quantum Housing Group	<p>1. Is the ACCC currently investigating Ethan Affordable Housing Pty Ltd in relation to potential breaches of the Competition and Consumer Act?</p> <p>2. If so, please provide an update on the investigation including when it is expected the investigation will be finalised.</p> <p>3. From the information currently held, has the ACCC identified any breaches of company or consumer law that may result in action against Ethan Affordable Housing? What are those breaches?</p> <p>4. Please provide an update on the ACCC investigation into Quantum Housing Group Pty Ltd including when it is expected the investigation will be finalised.</p> <p>5. To date has the ACCC identified any breaches of any company or consumer law that may result in action against Quantum Housing Group? What are those breaches?</p> <p>6. Has the ACCC undertaken any investigations into Ashley Fenn and his connections to Ethan Affordable Housing Pty Ltd, or Quantum Housing Group Pty Ltd, or any other associated companies? If so, what is the nature of those investigations?</p>	ACCC/AER	Written
23	4	Siewert	Investigation Statistics	<p>Senator SIEWERT: [...] Could you update us on how many active investigations you currently have underway, and are you able to tell us how long they have been active?</p> <p>Dr Johns: Yes. We have 98 investigations in train; 76 were completed last year. So that gives you an idea of the magnitude. Did you ask for an average time?</p> <p>Senator SIEWERT: Yes, how long they have been—so maybe the longest, the shortest and then the average.</p> <p>Dr Johns: There is a table in my head which comes to mind, but they can range. Some have been around for two years; others can be down in a matter of months. It really does often depend on the nature of the correspondence between a charity and us.</p> <p>Senator SIEWERT: Could you provide on notice, then, the longest?</p> <p>Dr Johns: I will. I'll give you a nice table.</p> <p>Senator SIEWERT: If you could, that'd be really appreciated. I realise that there are issues around talking about specific investigations, but please provide on notice the longest and the shortest and provide information also on the number that have been completed year to date.</p> <p>Dr Johns: As in across five years?</p> <p>Senator SIEWERT: What I'm looking at is year to date, but I'm also keen to look at the history of the investigations and whether we are seeing more investigations. But we might also need the most up-to-date figures of how many charities are registered, or have been registered in those years, so that you don't look at it and say, 'Look, there have been this many investigations,' when really you've got a lot more charities that are now registered.</p> <p>Dr Johns: I'm happy to supply those, but the answer is: the number of completed investigations is climbing and the number of charities is fairly static.</p>	ACNC	Wednesday 30 May

24	8	Ketter	Litigation/Political expenditure	<p>1. Does the ACNC have any plans to provide charities with updated information about their changed reporting obligations, following changes of the definition of 'political expenditure' in the Electoral Act in March this year?</p> <p>2. In recent Joint Standing Committee hearings relating to the Electoral Funding and Disclosure Reform Bill, representatives from the charity and not-for-profit sector suggested that many charities and not-for-profits are unclear on which expenses they need to report to the Australian Electoral Committee – do you think that's the case?</p> <p>3. Has the ACNC contacted registered charities to make sure they are aware of this reporting change?</p> <p>4. Will this year's Annual Information Statement require any different information from past years?</p> <p>5. Would you anticipate a rise in the numbers of charities investigated by the AEC?</p> <p>6. Would a charity that was found to have breached the AEC reporting be liable to be disqualified?</p> <p>7. Has the ACNC given consideration to how it would approach complaints against charities on those grounds?</p> <p>8. In the last six months, the ACNC has been a party to reforms touching on political influence, political expenditure, and money laundering and terrorism financing – these intersect with the work of AUSTRAC, the AEC and ATO – do you anticipate that implications for charities and not-for-profits will require a further additional resources for the ACNC's compliance and litigation functions?</p>	ACNC	Written
25	2	Patrick	Air Travel Expenses	<p>Senator PATRICK: [...] Minister Cormann has provided me in response to questions on notice details of the use of Qantas and Virgin. In a situation where we have a lowest practical fare booking code, there's a fairly significant difference. In government spending overall Qantas is \$201 million in 2016-17, and for Virgin it was \$61 million. So there is quite a big difference. If I divide the numbers through, although I know it's not perfect, in my experience Virgin are significantly cheaper in many instances. I've got it by department. I'm just having a look at your numbers. Your numbers come in at \$429,000 to Qantas in 2016-17 and \$122,000 to Virgin. I'm wondering if anyone can explain the difference. It's quite a reasonable disparity, noting the policy. Can you say whether there's some explanation you may be able to offer, or whether it's something you need to take it on notice?</p> <p>Mr Byres: I don't have the figures in front of me. They sound reasonable in term of \$500,000 or a bit more of domestic travel. I couldn't give you a detailed explanation. I'm happy to take that one on notice and come back to you.</p> <p>Senator PATRICK: It might be helpful if you look at Finance's codes. There may be legitimate reasons.</p> <p>Mr Byres: We'll look at those and come back to you.</p> <p>Senator PATRICK: A number of agencies have responded by saying, 'Thank you, we'll have a long, hard look at what's going on.' There's only one agency that has Virgin flying more than Qantas. That seems a bit unusual. Secondly, in relation to the Chairman's Lounge and Virgin's The Club, I have no criticisms if anyone has accepted a membership, but in the circumstances where they have accepted that membership because of their official position, if they have only selected one—so they either only have the Chairman's Lounge, or The Club—in that circumstance, for any officials in that position can I have a breakdown of their split between Virgin and Qantas?</p> <p>Mr Byres: I am neither. But we'll take that on notice and come back to you.</p>	APRA	Wednesday 30 May

26	1	Leyonhjelm	CBA Report Recommendations and BEAR Bill Implementations	<p>Senator LEYONHJELM: Have any of the staff of APRA previously worked for the institutions that they are involved in at that level—what word should I choose?—supervision, if you like, in relation to the CBA recommendations and the BEAR bill implementation?</p> <p>Mr Byres: Most of our staff come from the financial sector broadly defined. I include in that accounting firms and law firms as well as financial institutions. I'd have to take this on notice, but I don't think there was anyone on the CBA inquiry that had previously been a CBA employee, if that's the specific question that you have.</p>	APRA	Wednesday 30 May
27	3	Ketter	Review of the Prudential Framework	<p>Senator KETTER: I will now turn to the review of the prudential framework. [...]</p> <p>[...]</p> <p>Senator KETTER: Can you tell us when you gave that commitment to have a post-implementation review?</p> <p>Mrs Rowell: I believe it was in the original discussion papers and the finalisation of the framework at the time we completed our consultation. That would have been back in 2012 or 2013.</p> <p>Mr Byres: It is probably best that we take that one on notice. We can give you the reference.</p> <p>Senator KETTER: At any time before your announcement of the post-implementation review on 23 May, did APRA discuss this review with the Treasurer or the Minister for Revenue and Financial Services or either of their offices?</p> <p>Mrs Rowell: I don't recall any specific conversation other than in the general context of a general update on our work program. But we might take that one on notice as well.</p> <p>Senator KETTER: Okay—when and with whom. Did APRA ever raise this review with Treasury officials before it was announced?</p> <p>Mrs Rowell: We would have provided an indication to Treasury that we would undertake the review, because we regularly inform them of our policy agenda and program.</p> <p>Mr Byres: in fact, we have a Treasury official helping us with this review. We wanted some people independent of those who had been involved in the design of the framework to be involved in the review of the framework, so Treasury provided an official to help us with that.</p> <p>Senator KETTER: Can you tell us notice when that occurred and with whom.</p> <p>Mrs Rowell: Yes.</p>	APRA	Wednesday 30 May
28	8	Patrick	Air Travel Expenses	<p>For FY 16/17:</p> <ol style="list-style-type: none"> <li>1. Please provide details of the Qantas/Virgin split for official travel in terms of: <ol style="list-style-type: none"> <li>a. Total number of tickets</li> <li>b. Total value spent for official travel?</li> </ol> </li> <li>2. In the event there is a disparity of greater than 65/35 in the split (either way), please provide a detailed reasons for the split in the context of a lowest practical fare policy.</li> <li>3. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only the Qantas Chairman's Lounge? <ol style="list-style-type: none"> <li>a. Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>4. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only Virgin's The Club? <ol style="list-style-type: none"> <li>a. Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>5. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from both the Qantas Chairman's Lounge and Virgin's The Club?</li> </ol>	ASIC	Written

29	1	Watt	ASIC – Additional QoN to Q28 (28/2/18)	5. In to answer to Question on notice 28, Mr Price refers to enforcement matters related to some of the companies in financial difficulties in Perth and that he hasn't come across a similar trend on the Gold Coast. What are those actual figures Mr Price has referred to and would they be made available please?	ASIC	Written
30	8	Watt	ASIC – Enforcement	<p>1. Has ASIC investigated or is ASIC investigating with a view to determining if grounds exist for a prosecution, the role of the big banks, that is the CBA, NAB, WBC and ANZ, prior to the collapse and subsequent administration and/or liquidation of the following companies: Walton Construction, Gold Coast Titans Property, Glenziel Constructions, J M Kelly Project Builders, Trac Constructions and Ostwald Bros? If so, what is the status of those investigations?</p> <p>2. Has ASIC investigated or is ASIC investigating with a view to determining if grounds exist for disciplinary action or a prosecution, the role of Insolvency Practitioners in the administration and/or subsequent liquidation of the following companies: Walton Construction, Gold Coast Titans Property, Glenziel Constructions, J M Kelly Project Builders, Trac Constructions and Ostwald Bros? If so, what is the status of those investigations?</p> <p>3. What is the full list of prosecutions conducted since 2012 against the director of a building and/or construction company that has entered into administration and/or subsequent liquidation owing sub-contractors and/or homeowners money? What was the outcome of those prosecutions?</p> <p>4. What is the full list of Insolvency Practitioners involved in administering and/or liquidating companies in the building and construction industry who have been subject to disciplinary action and/or prosecution since 2012? What form did that action take and what was the outcome of those actions?</p>	ASIC	Written



31	2	Patrick	Banking Royal Commission: Case Cost-Benefit	<p>Senator PATRICK: [...] I want to respond to a couple of things that have been said along the way, in particular, in your opening statement you made a claim in relation to the royal commission. [...]</p> <p>Senator Patrick: ... Commissioner Price, you made a statement in evidence before that in many instances you investigated a matter and took it to a point where you then had to consider the opportunity cost of taking it further. That's an unfortunate position you end up being in. I'm a little bit concerned about that. I'm happy to take this on notice, but I'm wondering if you could indicate matters, over can last three years, in which you decided not to, on the basis of opportunity cost, proceed to a court action? I don't mind if it's de-identified but perhaps attached to sector.</p> <p>Mr Price: Sure.</p> <p>[...]</p> <p>Senator PATRICK: Sure. And it's not a criticism, but you did use the word 'expense' in there. And I understand when you need to balance resources. So, that's the burden of my question. It relates to decisions where you decided that you wouldn't proceed because the cost-benefit wasn't right.</p> <p>Ms Armour: It's almost a question where it's really difficult to produce an answer for you, because our processes are so iterative. We know we have X amount of money available to us or we anticipate that we'll have X amount, and we assess and then we take cases through stages over a period of time. It's not a case where you—</p> <p>Mr Price: Let us take it on notice and we'll assist as best we can.</p> <p>Senator PATRICK: Thank you. And are you aware of any of those matters where you decided not to proceed that have now been re-agitated or re-prosecuted at the royal commission?</p> <p>Mr Price: That's a very good question.</p> <p>Senator PATRICK: I'm happy that it be taken on notice, if you think it's complex or requires—</p> <p>Ms Armour: In relation to rounds 1 and 2, I think we're reasonably confident—</p> <p>Mr Kell: As I said earlier, there are a small number of matters where it's apparent in relation to, say, individual advisers that not all the information may have been provided to us by a licensee, and we're following up to ensure that if further action needs to be taken then we will take it.</p> <p>Senator PATRICK: Sure; that's good. I'm just wondering whether you could give us some statistical information that says that there were eight matters that we decided not to proceed with but have been—</p> <p>Mr Price: We'll assist as best we can. I'm not sure whether we have those statistics, but if we can take that on notice we'll assist.</p>	ASIC	Wednesday 30 May
32	1	Whish-Wilson	Banking Royal Commission: Loan Fraud	<p>Senator WHISH-WILSON: [...] I suppose the big question that a lot of people would like answered is: was ASIC surprised by some of the revelations we've seen at the royal commission? [...]</p> <p>[...]</p> <p>Senator WHISH-WILSON: And the same with the NAB branches in Western Sydney with their Introducer Program?</p> <p>Mr Kell: ASIC has had a significant program around loan fraud matters underway over the last few years. This includes taking action both against individual brokers that have engaged in fraud and also some more large-scale systemic matters. That is one matter that we were aware of and that we've been investigating and engaging very closely with NAB on, so there is a major investigation underway there.</p> <p>Senator WHISH-WILSON: That was underway prior to the royal commission as well?</p> <p>Mr Kell: Yes.</p> <p>Senator WHISH-WILSON: How long was that underway for?</p> <p>Mr Kell: I'd have to take that on notice, but more than a year. [...]</p>	ASIC	Wednesday 30 May

33	1	Hume	Banking Royal Commission: Requests	<p>CHAIR: As a follow-up to Senator Williams' question, do you have any idea exactly how many requests from the royal commission ASIC has already responded to, or how many documents you might have already produced?</p> <p>Mr Kell: We would have to take that on notice. It's a lot.</p>	ASIC	Wednesday 30 May
34	2	Ketter	Breach-Reporting of AFS Licensees	<p>Senator KETTER: Mr Shipton, while I've been here idling away my time, I've taken the opportunity to look at the very helpful folder you have provided and looking the misconduct and breach reporting section. If we look at the period to April 2013, there's been a 39.1 per cent increase in breach reports related to a AFS licensees and registered entities of managed investment schemes. Is that a large increase?</p> <p>Mr Day: Yes, it is, Senator.</p> <p>Senator KETTER: What do you put that down to?</p> <p>Mr Day: Probably a large number of financial services licensees reviewing their own conduct or, if you like, misconduct circumstances and deciding there are things they need to report to ASIC in compliance with the section.</p> <p>[...]</p> <p>Mr Shipton: I'd also add that we have accelerated and increased the volume of our expectations in this regard.</p> <p>Mr Kirk: And we have an active project on breach reporting.</p> <p>[...]</p> <p>Senator KETTER: Are you able to provide the information that you've given to the royal commission?</p> <p>Mr Kell: Yes. It's in a witness statement.</p> <p>[...]</p> <p>]</p> <p>Senator KETTER: And are you able to disaggregate that information? I'd be interested in the four major banks, whether the statistics there are different to the rest of the cohort?</p> <p>Mr Kell: Can we take that on notice in terms of how we might categorise and to help you understand the mid-tier banks?</p> <p>Senator KETTER: The four major banks, I'd be interested in. [...]</p> <p>[...]</p> <p>Senator KETTER: I will come back to that. In these breach reports for the AFS licensees and registered entities of managed investment schemes, can you tell me is there any pattern emerging?</p> <p>Mr Day: I don't think at this stage I could say. That is something we're looking at at the moment. We're trying to look at what are, if you like, the spheres of activity or the areas of activity that these breach reports relate to. But we normally only do that type of analysis on a six-monthly basis. So at this stage I can take it on notice but I don't think I can help you at the moment.</p>	ASIC	Wednesday 30 May

35	1	McAllister	Crypto-currency Taskforce	<p>Senator McALLISTER: So this is a decision taken exclusively within ASIC and then reaching out to the ACCC to derive the necessary powers to do the work?</p> <p>Mr Price: That's right. I should add that it's not unusual for the ACCC to refer powers to ASIC, and indeed, for ASIC to refer powers to the ACCC. This happens quite a bit and it deals with—</p> <p>Senator McALLISTER: I'm not troubled by it; I'm just trying to understand the scheme. How long do you anticipate it being in place for? Is this an ongoing regulatory role? Is there an end point?</p> <p>Mr Price: Nothing lasts forever. It will be something that's under review, obviously. But, at the moment, it's an area that I think is garnering a lot of public attention. According to press reports just recently you know, the ACCC reported that Australians lost \$2.1 million to cryptocurrencies scams, so clearly that's a concern for us.</p> <p>Senator McALLISTER: How many employees are assigned to the task force?</p> <p>Mr Price: We pull in employees as we need it. I'd need to take that question on notice. But you need to understand there's not a very large number of people that are full-time dedicated to this. There's a small core of people who are spending a lot of time doing this, and then we're pulling in that other expertise as we need it.</p> <p>Senator McALLISTER: When you say a small core, do you mean under 10?</p> <p>Mr Price: Under 10.</p> <p>Senator McALLISTER: So it's a small core, and then you identify the resources elsewhere in the organisation for a particular issue.</p> <p>Mr Price: Exactly right. And that task force type structure is, again, not unusual in ASIC.</p>	ASIC	Wednesday 30 May
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36	3	Ketter	Dollarmites	<p>were set up by Commonwealth Bank staff because of the pressure that they were under in terms of their performance targets and bonuses. Can you firstly tell me just when these practices in relation to Dollarmites and Youthsaver accounts came to ASIC's attention?</p> <p>Mr Kell: I would have to take on notice the exact date, but very recently.</p> <p>Senator KETTER: And can you tell me how they came to your attention?</p> <p>Mr Kell: The detail of the issue came to our attention through media reports, rather than a report directly from—</p> <p>Senator KETTER: So the CBA didn't report this matter?</p> <p>Mr Kell: Not all the detail. I will take on notice the exact timing, but we have been meeting subsequently with CBA to get more details. We are investigating the matter.</p> <p>[...]</p> <p>Senator KETTER: So this poor behaviour just continued. For you to have to find out about this through the media is just indicative of ongoing—</p> <p>Mr Kell: I'm not sure that it continued beyond 2013. I'm not sure. I wasn't suggesting that it continued over that period. That's something I can come back to you on.</p> <p>Senator KETTER: But the fact they didn't report it to you, and you only found out via the media—</p> <p>Mr Kell: I only found out about the detail. There was a very brief report a little way before the media report to us from the CBA, but didn't contain the detail that we saw in the media report.</p> <p>Senator KETTER: Can you take on notice whether they provided you with at least some detail of that?</p> <p>Mr Kell: Sure.</p> <p>[...]</p> <p>Mr Kell: I've had some updates from the staff. You asked about Dollarmites, and we have found out about it. I just wanted to correct that. When we found out about the detail, we did receive some information and had some engagement with CBA immediately before the article appeared. So I'd have to take on notice exactly when that was, but, in the days leading up to the article, there was more detail provided by CBA around that matter, prior to the media article coming out.</p> <p>Senator KETTER: But only a matter of days before?</p> <p>Mr Kell: As I said earlier, we did receive a very brief indication a little while before that, but, in terms of detail, just in the days leading up to the publication of the article, yes.</p>	ASIC	Wednesday 30 May
37	1	Hume	Efficiency Dividends	<p>CHAIR: Just before I throw to Senator Whish-Wilson, I want to confirm, Mr Price, the efficiency dividend that applied in the 2008-09 period was two per cent and the efficiency dividend in 2013 was 2.5 per cent—is that correct? Is that your best recollection of those efficiency dividends applied by the Labor government in those years?</p> <p>Mr Price: I have a good memory, but not that good. I'll take that on notice.</p>	ASIC	Wednesday 30 May

38	7	Ketter	Employee entitlement	<p>Senator KETTER: [...] I've got a range of areas to cover. I'll start firstly with the legislation that's been introduced to remove ASIC from the Public Service Act. I understand that current ASIC staff will remain in terms of their superannuation coverage under the current CSS and PSS schemes and will be able to remain PSSAP members. Can you confirm that's the case.</p> <p>Ms Armour: Yes, that's the case.</p> <p>Senator KETTER: What entitlements to maternity leave do ASIC employees currently have?</p> <p>Ms Armour: We probably have to give you that detail on notice, [...]</p> <p>[...]</p> <p>Senator KETTER: What about redeployment rights within the APS? Is it the case that ASIC employees, including those who are made redundant, currently have redeployment rights to the broader APS?</p> <p>Ms Armour: I think we'd have to take that on notice, if that's okay, and give you some more detail.</p> <p>Mr Price: It may depend a little bit on how the relevant ASIC staff member is employed—whether they're employed as a permanent public servant or under contract—but we'll take that on notice.</p> <p>Senator KETTER: Will current ASIC employees retain those rights after 1 July 2019?</p> <p>Mr Price: Yes, we'll take that on notice.</p> <p>Senator KETTER: Is ASIC supportive of existing ASIC employees retaining these redeployment rights?</p> <p>Mr Price: I think, as a general principle, what we're aiming to do, as far as possible, is ensure that rights and entitlements flow through under the new scheme. You've raised a couple of matters of detail, so we'll come back to you on this.</p> <p>Senator KETTER: Will ASIC be covered from the Australian Public Service Commission's workplace bargaining policy after these changes commence from 1 July next year?</p> <p>Mr Price: Again, we'd like to take that on notice.</p> <p>Mr Day: My understanding is the answer to that question is yes.</p> <p>Senator KETTER: If the current bargaining policy remains in place, would ASIC expect to have to bargain under that framework?</p> <p>Mr Day: The answer to that question is yes.</p> <p>Senator KETTER: So, one could argue: this goes against the point of removing ASIC from the Public Service Act, if ASIC is still going to be subject to the restrictions of the Australian Public Service Commission's workplace bargaining policy.</p> <p>Mr Day: We can take that on notice and come back to you with a more complete answer, but we don't believe so.</p>	ASIC	Wednesday 30 May
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39	7	Williams	Grandfathered Commissions	<p>1. In your submission to the Royal Commission you have questioned the rate of decline of grandfathered commissions following the commencement of FoFA and called for them to cease as soon as possible. Has ASIC done any assessment of the current level of grandfathered commissions across the industry and if so, what is the outcome of that assessment?</p> <p>2. Has ASIC identified the potential obstacles in moving clients from legacy products to modern products and called on the government to find solutions such as the removal of exit fees, CGT rollover relief and Centrelink deeming rules?</p> <p>3. Has ASIC previously publicly discussed its concerns with grandfathered commissions?</p> <p>4. In your Royal Commission submission, ASIC has suggested that financial advice is too expensive for average Australians and that other solutions need to be found including simpler products and even potentially having the Government subsidise the cost of financial advice. Given the significant cost that compliance levies onto the provision of financial advice, do you believe that ASIC has been a major driver of the increase in the cost of advice and have you considered ways to make personal financial advice more affordable?</p> <p>5. Referring again to ASIC's submission to the Royal Commission, you have suggested that despite opt-in requirements and the annual fee disclosure requirements, clients might not understand they are being charged ongoing adviser service fees. Is ASIC suggesting, given that clients are voluntarily signing agreements to pay a fee to their adviser, that they are signing documents such as opt-in notices without understanding what they are agreeing to?</p> <p>6. Referring again to ASIC's submission to the Royal Commission, you have set out a range of issues that you believe are wrong in the financial advice sector. Has ASIC discussed its concerns with key industry stakeholders and what has it done to work with the sector to find solutions.</p>	ASIC	Written
40	2	McAllister	Henderson Poverty Line	<p>Senator McALLISTER: About three years ago, I asked Mr Kell about the use of the Henderson poverty line. At the time, you were engaged in enforcement with the Bank of Queensland. You said that you were concerned that the use of benchmarks might not be appropriate. You said you thought industry was moving away from those practices but that the responsible lending laws would require a very different approach from lenders and that a reliance on benchmarks alone would not be acceptable. Can I ask how many enforcement actions ASIC has taken in the last year in relation to the misuse of benchmarks?</p> <p>Mr Kell: I think we'll have to take that on notice. We have one major one in court at the moment with Westpac. Are you talking about benchmarks or responsible lending more broadly?</p> <p>Senator McALLISTER: Benchmarks, specifically.</p> <p>Mr Kell: I think that might be the main one, but I'll have to come back to you.</p> <p>Senator McALLISTER: Do you have any idea how many enforcement actions have been taken over the last five years?</p> <p>Mr Kell: I'll take that on notice as well.</p> <p>Senator McALLISTER: Is it tens or hundreds?</p> <p>Mr Kell: No, not that many.</p> <p>Senator McALLISTER: Not hundreds?</p> <p>Mr Kell: Certainly not hundreds. I'll come back to you on the benchmarks issue.</p>	ASIC	Wednesday 30 May

41	7	Watt	Illegal Phoenixing	<p>1. In addition to implementing a Director Identification Number (DIN), the government committed to consult on a range of other measures in a media release from Minister O'Dwyer on the 12th September, 2017. Who has the government consulted?</p> <p>2. Has the government consulted with unions and/or sub-contractor associations?</p> <p>3. If so, which entities?</p> <p>4. Who else has the government consulted with?</p> <p>5. Are these consultations still occurring?</p> <p>6. If consultations are still occurring, when are they expected to conclude?</p> <p>7. When does the government anticipate announcing the measures it will implement and a timetable for implementation?</p>	ASIC	Written
42	3	Whish-Wilson	Internal Conflict-of-Interest Policies	<p>Senator WHISH-WILSON: My last question is not very long. You are aware that I wrote to the Auditor-General recently asking for an investigation around your declaration of interest and conflict-of-interest policies. [...]</p> <p>Senator WHISH-WILSON: [...] given people come from different backgrounds and different employment histories, they are inevitable and they are not necessarily a negative thing or a slight on ASIC at all. I just wanted to see if you had a system in place, and perhaps you could give that to me on notice.</p> <p>Mr Shipton: Of course. We'd be delighted to give that to you on notice.</p> <p>Senator WHISH-WILSON: In the 2013 enquiry, when we were looking at ASIC, something came up around the secondment of ASIC staff or, vice versa, financial services companies working at ASIC. Are you still seconding ASIC staff into banks and financial services companies at the moment?</p> <p>Ms Armour: We probably do need to come back to you on that. We adjusted the policy after the 2013-14 enquiry. I believe at that time part of the concern was more the other way; it was people from industry coming into ASIC.</p> <p>Senator WHISH-WILSON: That's correct. Is that occurring currently?</p> <p>Ms Armour: We would need to come back about whether it is occurring currently. We have introduced more steps to ensure that if it does occur it's carefully managed. I think we require commission approval for that, and we are managing that.</p> <p>Mr Price: We certainly adjusted our policy. We can come back to you with the exact detail. There are some areas of ASIC that aren't strictly regulatory areas. So there may well be secondments into some of those. But we can give you more detail when we come back.</p> <p>Ms Armour: We will come back with the detail.</p> <p>Mr Price: We were certainly very conscious of the questions that were raised during the 2013 process and we rewrote our policy as a result.</p> <p>Senator WHISH-WILSON: I was interested in light of what's going on at the moment with the royal commission into financial services and how sensitive that is. I understand why you would have secondments both ways so you understand better how these firms work. But I suppose it is a question of the tension between being on Christmas lists or being on dartboards—or maybe both. If you could get back to me that would be great.</p> <p>Ms Armour: Yes, we will.</p>	ASIC	Wednesday 30 May

43	3	Ketter	Phoenixing	<p>1. The 2018 Budget notes the Government's commitment to a Director Identification Number. That was originally announced on September 2017. Has ASIC assisted Treasury in drafting or guiding legislation to implement the Director Identification Number?</p> <p>2. When does ASIC expect to introduce the DIN?</p> <p>3. The last report by PwC on illegal phoenix activity was in 2012, and initial estimates were provided to the Phoenix Taskforce in 2015 – a taskforce of which ASIC are a member of. To ASIC's understanding, why is this report being delayed? Is the report close to release? When will the report be released?</p>	ASIC	Written
44	2	Ketter	Recommendations to the Inquiry into ASICs performance	<p>Senator KETTER: Can I follow up on that issue of funding cuts? Mr Shipton, I understand that you've been subjected to increases in your efficiency dividend over the last four years. What strategies did ASIC adopt to meet the efficiency dividend increase beginning in 2014-15? Was a reduction in staffing levels one such measure?</p> <p>Mr Shipton: I will have to defer to my colleagues who were at the organisation at the time.</p> <p>Ms Armour: We have adopted a number of strategies to ensure that we are operating as efficiently as possible. One of those strategies has been actually NPP funded since 2016, but we had put it in place a number of years before that. That is transforming the platform on which we do our work. So we have a simpler system, we have more connected databases, so that staff can make inquiries at one place in one issue, rather than having to look at a number of dispersed areas. We've been running that program for some time. So it's changing our platform, and is helping us to garner a number of efficiencies.</p> <p>Senator KETTER: My question is, was reduced staffing levels one of the methods you adopted to meet your efficiency dividend objective?</p> <p>Ms Armour: We did have a reduction in staffing levels in 2014 as a result of this.</p> <p>Mr Kell: We might need to check the dates.</p> <p>Senator KETTER: What was the impact of these cutbacks on ASIC's supervision of enforceable undertakings during this period?</p> <p>Mr Price: I think—and again it's the dates that I'm trying to place—but remember around this time there was the Senate inquiry into the performance of ASIC. There was a substantial piece of work that followed that around enforceable undertakings generally, and it did include enhanced supervision around those undertakings.</p> <p>Ms Armour: There was an audit conducted by the ANAO into our processes in managing enforceable undertakings. That made some recommendations, which we adopted. We'd be happy to provide you with the relevant material on notice.</p>	ASIC	Wednesday 30 May



45	1	Abetz	Regulatory Requirements	<p>Senator ABETZ: Thank you very much, Chair. Can it be confirmed that a company limited by guarantee, to be registered by ASIC, needs to lodge a constitution? It's pretty basic.</p> <p>Mr Price: It is pretty basic, Senator. But ASIC has dual responsibility for certain charitable companies with the charities regulator—</p> <p>Senator ABETZ: I didn't ask about that. Do you have to lodge a constitution to be registered by ASIC?</p> <p>Mr Price: My recollection is yes, but I would like to check that.</p> <p>[...]</p> <p>Senator ABETZ: The other issue with the GetUp! constitution is that it has categories of membership. One is full membership. Those members, basically, run the show. They are the ones who can vote for directors and admit others into the full membership. There are founding members, full members and other classes. Concentrating on full members, we are told in this constitution, under definitions: 'Full member means each of the persons listed in schedule 1 and any other person.' You go to schedule 1 and we are given a completely clean sheet. One wonders why an organisation that is so on about transparency in all things public fails to disclose its membership? Chances are, it starts with the CFMEU and then the AWU and then the Greens, but that is all conjecture. Knowing who funded them to get them started, one assumes that would all be in the full-members schedule. It is completely and utterly missing.</p> <p>I believe the public needs to be protected, so my final question is: will ASIC please take on notice these deficiencies in the GetUp! constitution and report back to the committee as to what can be done to protect the public, in relation to those two matters? If it's not within ASIC's bailiwick can you assist me as to whom I should go to, to have this egregious matter redressed and rectified, to make GetUp! into an honest organisation?</p> <p>Mr Price: Yes.</p>	ASIC	Wednesday 30 May
46	2	Williams	Small Amount Credit Contract (SACC) Industry	<p>1. Are there any current issues in the Small Amount Credit Contract industry that are causing ASIC any concern?</p> <p>2. What does ASIC see as the problem which requires fixing in the SACC Industry through tougher regulation?</p>	ASIC	Written
47	5	Keneally	30 May The Australian Media Article: Analysis	<p>With regard to an article from the front page of The Australian on 30 May, was this analysis produced by the ATO?</p> <p>a. If so, who requested this analysis, and on what date?</p> <p>b. Who compiled the table on this article?</p> <p>c. Was this compiled on request of the Treasurer, or any of his staffers?</p> <p>d. Was this compiled on request of any other minister, or their staffers?</p> <p>e. Who submitted this analysis to The Australian?</p> <p>f. Has the ATO ever been asked by either the Treasurer's office, or any other minister's office, to do analysis of Labor policy?</p> <p>i. If so, was the ATO specifically asked to provide analysis of Labor's tax refund for working Australians?</p> <p>ii. Further, can the ATO table a full list of all Labor policies that have been analysed at the request of the Turnbull government?</p> <p>g. Why is the Department releasing this analysis, but not the year-on-year costings for the third stage of the government's personal income tax plan?</p>	ATO	Written

48	1	Patrick	Air Travel Expenses	<p>Senator PATRICK: I have questions about air travel and air travel expenses. would that be you? [...]</p> <p>Senator PATRICK: I understand that. I just wanted to make sure I was working off correct data. Are you in a position to explain why there is a disparity within the tax office in the use of Virgin and Qantas?</p> <p>Ms Cawthra: I can give you a bit of an outline and take the question on notice, specifically.</p> <p>Senator PATRICK: Sure.</p>	ATO	Wednesday 30 May
49	4	Keneally	ATO Complaints	<p>1. Can the Department outline how many audits the ATO has conducted in the past five financial years?</p> <p>a. How many complaints were made about the audit process in this same period?</p> <p>b. On what dates were these complaints made?</p> <p>c. Were all complaints reviewed by the ATO?</p> <p>d. What were the findings of these reviews?</p>	ATO	Written
50	2	Keneally	ATO Outages	<p>Senator KENEALLY: I'd like to ask some questions about ATO tax outages. The ATO was asked to provide a full list of system outages in Senate estimates on 25 October 2017. Was the list that was provided a complete and thorough list of all the outages?+E61tely was, Senator.</p> <p>Senator KENEALLY: There were five outages listed in 2017. We had some reports of another seven outages over 2017 that weren't included on that list. These reported system failures are substantiated by alerts sent from the ATO, under the name of Colin Walker, to agents. Can you explain why the outages listed in 2017 missed these other ones?</p> <p>Mr Katf: No, I cannot. I'm happy to take that on notice and reconcile the numbers for you. We have a range of different systems that we monitor and track, and we keep very, very clear statistics on our availability metrics across all of those systems. We provided what were the records at the time, so I'll need to take that on notice.</p> <p>Senator KENEALLY: Okay. If you can do that and advise us if you need to update the table that was provided after the questions from October 2017. Can you please also provide—and I'm happy for you to take this on notice—a full list of all the system outages in the last 18 months, detailing the time, date and duration of those outages?</p> <p>Mr Katf: I'm happy to provide that on notice. [...]</p>	ATO	Wednesday 30 May
51	2	Keneally	ATO Outages	<p>During Estimates on 30 May, I asked the following: "Senator KENEALLY: There were five outages listed in 2017. We had some reports of another seven outages over 2017 that weren't included on that list. These reported system failures are substantiated by alerts sent from the ATO, under the name of Colin Walker, to agents. Can you explain why the outages listed in 2017 missed these other ones?"</p> <p>Mr Katf: No, I cannot. I'm happy to take that on notice and reconcile the numbers for you."</p> <p>Can the ATO table a new report in order to reconcile those numbers?</p> <p>a. Can the ATO provide a full list of all the system outages in the last 18 months, including the time, date and duration of those outages?</p> <p>b. Will the ATO also update the table with reported outages during the period after the October 2017 Estimates?</p>	ATO	Written

52	4	Ketter	ATO ruling on genuine redundancy	<ol style="list-style-type: none"> <li>1. In relation to the age-based requirements for redundancy packages to be considered genuine for the purposes of concessional tax treatment, is it correct that the Tax Commissioner has the ability to determines the age based requirements for eligibility?</li> <li>2. And is it correct to note that the current ruling on this is Tax Ruling 2009/2 that determined a worker “must be less than 65 years old at the time of dismissal for a redundancy payment to qualify as a genuine redundancy payment”?</li> <li>3. Has the Government corresponded with the Tax Commissioner on this matter?</li> <li>4. Has the Tax Commissioner considered reviewing the Tax Ruling?</li> </ol>	ATO	Written
53	8	Ketter	ATO Staffing	<p>Dandenong before 30 June 2018. The work is in the Intermediaries and Lodgement business line in Client Engagement. ATO says they are moving this work to Perth and Brisbane.</p> <ol style="list-style-type: none"> <li>a. When will this work be moved to Brisbane and Perth?</li> <li>b. When it is moved to Brisbane and Perth, will it be performed by ongoing employees of the ATO?</li> <li>c. What is plan for this work to be done and by whom?</li> </ol> <ol style="list-style-type: none"> <li>2. Has the ASL cap affected the ability of ATO to employ ongoing staff to do ongoing work? If so, how?</li> <li>3. You have been provided with \$318 million to tackle black market economy including mobile strike teams, but ASL has only increased by 40 staff. <ol style="list-style-type: none"> <li>a. What will the staffing and employment arrangements be for people doing this work?</li> <li>b. Who is doing that work and what will the employment arrangements be for these employees?</li> <li>c. What work will be shifted out of ATO as a consequence of this initiative?</li> </ol> </li> </ol>	ATO	Written
54	8	Ketter	ATO Staffing – Labour Hire	<ol style="list-style-type: none"> <li>1. Do you take any responsibility for health and safety of labour hire workers working inside ATO premises?</li> <li>2. Do you take any responsibility for labour hire workers getting paid less than ATO worker doing the same work working in the same office?</li> <li>3. Do you take any responsibility for labour hire workers getting paid different rates depending on which labour hire firm they work for, but are performing the same job, even in the same office?</li> <li>4. Who is responsible for the quality of the work done by labour hire workers and in outsourced contract call centres?</li> <li>5. Who is accountable for the accuracy of the work provided by labour hire workers and in outsourced contract call centres?</li> <li>6. Do you have information on how many errors get returned to the ATO to be dealt with in house from outsourced contract call centres?</li> <li>7. Who is responsible for the training of labour hire and staff in outsourced contract call centres?</li> <li>8. How much does that training cost?</li> </ol>	ATO	Written

55	8	Ketter	ATO Staffing – outsourced call centres	<p>wages for McDonald’s workers?</p> <p>o Is this the value you place on the work?</p> <p>o What would an equivalent ATO employee be paid [they should answer APS1 \$48,036 to \$53,052; APS2 \$54,321 to \$60,202; or APS3 \$61,825 to \$66,701].</p> <p>2. Do you take any responsibility for staff in outsourced contract call centres not being able to access toilets and toilet breaks? Should you?</p> <p>3. Do you take any responsibility for any health and safety issues encountered by staff in outsourced contract call centres, including bullying and harassment? Should you?</p> <p>4. Do you take any responsibility for the fact that the companies you contract to, like Serco, organised it’s corporate affairs so that it earns \$122 million but only has an effective tax rate of 0.5%. [\$590,000 tax paid on income of \$122m in FYE2015]</p>	ATO	Written
56	1	Williams	Billing Procedures	<p>If a taxpayer accidentally pays a tax bill twice, does the ATO refund that money without being asked, or is it the responsibility of the taxpayer to actively seek the refund?</p>	ATO	Written
57	6	Ketter	Build to Rent	<p>property other than affordable housing as from 4:30pm AEST on 14 September 2017?</p> <p>2. When was the ATO first made aware of this measure?</p> <p>3. Has the ATO received any queries from business and managed investment trusts about this measure? If so, how many?</p> <p>4. What has the advice from the ATO been to these queries?</p> <p>5. Can you advise of the legal grounds on which the ATO is advising businesses and managed investment trusts, presumably, that investment in residential housing except in affordable housing is no longer allowed in certain circumstances?</p> <p>6. Has the ATO made a judgement as to whether the announcement of 14 September 2017 will be a measure that will pass the Parliament, given the Labor Party’s significant concerns with the measure? If so, on what basis has this been done?</p>	ATO	Written
58	1	Ketter	FBT & Remote Area Exemptions	<p>Senator KETTER: I’m going to turn to another matter just very quickly, Mr Jordan. Dr Andrew Leigh and I wrote to you on 24 April in relation to fringe benefits tax and remote area exemptions, and you responded.</p> <p>Mr Jordan: Yes.</p> <p>Senator KETTER: You indicated that you understand the importance of the issue and that you’re currently reviewing the matter. That was on 16 May. Just quickly, can I find out from you when we can expect a response and what work has been done in assessing that issue.</p> <p>Mr Jordan: I can take that on notice. I will undertake to get a response to you as soon as we can.</p>	ATO	Wednesday 30 May

59	3	Keneally	Four Corners: Complaints	Senator KENEALLY: Minister Cormann—and you can take this on notice—did any minister or ministerial staff raise a complaint with the ABC regarding the ATO story that Mr Jordan has spoken about today on Four Corners? Senator Cormann: I would have to take it on notice. [...] Senator KENEALLY: We've talked about the fact that you didn't appear in the report and you've mentioned some of the issues that you have with the report, and we will wait and see if you do use it as a basis of a complaint to the ABC or to Fairfax. Are you able to provide data for the past five financial years for how many audits the ATO has conducted, how many complaints were made about the audit process and when the complaints were made? Mr Jordan: Probably. Senator KENEALLY: Probably? Mr Jordan: Well, I don't know in exactly that form, but we do report in our annual report every year the numbers of audits, the numbers of complaints— Senator KENEALLY: We can take that on notice, [...]	ATO	Wednesday 30 May
60	2	Keneally	Four Corners: Complaints	Senator KENEALLY: On 12 April this year, an email was circulated in the ATO titled 'An update from the ATO executive'. Was this in response to the matters raised by Four Corners? Mr Jordan: I don't know which one you're referring to. Senator KENEALLY: On 12 April, an email. It was, as I said, titled 'An update'. How often do you write to all— Mr Jordan: Every Monday morning I do something. Senator KENEALLY: Every Monday morning. So, the Four Corners— Mr Jordan: It's called 'The commish'— Senator KENEALLY: Can we take this on notice, to get a copy of that email from 12 April? Mr Jordan: Yes, I will take that on notice.	ATO	Wednesday 30 May
61	2	Keneally	Four Corners: Internal Communications	On 12 April this year, an email was circulated in the ATO titled 'An update from the ATO executive'. Can the Department table a copy of this letter? a. Was this email created in response to the matters raised by Four Corners?	ATO	Written
62	3	Ketter	Media Release under FOI Act	Senator KETTER: Mr Jordan, I want to return to the last question I asked you in relation to the fact-checking that was done on a media release of 23 August 2017. You said you weren't familiar with it. I would like to table the documentation that was released under FOI in relation to that. CHAIR: Yes, I'm happy for you to table that. Senator KETTER: That media release made reference to \$4 billion in tax liabilities raised in the prior financial year. In correspondence with the shadow assistant treasurer, you confirmed that the ATO deployed division 13 of the Income Tax Assessment Act 1936, subdivisions 815-A and 815-B of the Income Tax Assessment Act and the general anti-avoidance rules of part IVA, noting in particular that some of those involve amendments to the previous government's Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013 and the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill 2012 and that the assessment related to years prior to the implementation of the MAAL. Does the ATO agree with the government that any of this is related to alleged loopholes left by Labor? Mr Jordan: I'll have to take that on notice. There's obviously a lot of material here. I've not seen this before. I don't know if anyone else is aware of it or has seen it? [...]	ATO	Wednesday 30 May
63	2	Ketter	Media Release under FOI Act	Senator KETTER: The question is: why did the ATO allow the media release to be ticked off when it was so clearly erroneous? Mr Jordan: We have no say over what a minister puts out as a press release. I think you're elevating us to a position that we don't have. Sometimes I might like that, but I think we don't have any influence over that at all. I don't think that would come as any great surprise. Senator KETTER: Since the correspondence with the shadow assistant treasurer about the facts of the liabilities raised by the ATO, have you, Mr Jordan, or any ATO staff advised the government on modifying their claims? Mr Jordan: Not that I'm aware of, no. Senator KETTER: I refer specifically to the new figures that the ATO and the government cite—that the MAAL and the DPT regime are responsible for an additional \$7 billion in revenue being booked in Australia. Can you please table on notice all correspondence with the government and staff about using this figure. Mr Jordan: I will take it on notice.	ATO	Wednesday 30 May

64	1	Leyonhjelm	Panama Papers Investigation	<p>Senator LEYONHJELM: I have just a quick one following up on Senator Whish-Wilson's questions relating to the Panama Papers. For the last 18 months I have tormented the Australian Federal Police about the bullion that they're holding. I think it's \$160 million worth of silver, if I recall correctly. I asked them what's happening, and they have said, 'Yes, we've still got it, and no, nothing is happening.' My feeling is that they're waiting for some advice from you as to what to do with it. So I'm making no progress other than, 'Yes, we've still got it.' That's the answer I keep getting. I'm wondering whether you might be able to throw some light on it. Is there an endpoint at which this bullion is no longer held by the Commonwealth? When does section 51(xxxi) of the Constitution, which is compensation for a seizure of property, kick in? At what point do you believe that this matter will be settled?</p> <p>[...]</p> <p>Mr Jordan: I think this was part of that week of action where there were some raids on accountants' premises and some others. Is that the one? And they found all this silver bullion there.</p> <p>Senator LEYONHJELM: Yes. I thought it was linked to the Panama Papers?</p> <p>[...]</p> <p>Senator LEYONHJELM: [...] I guess what I'm interested in ensuring is that due process occurs; \$160 million worth of property has been seized, and there have been no prosecutions around it, which they confirmed. My main concern is to ensure that there will be prosecutions so that it can be appropriately dealt with by law, or, if there isn't, then it's returned to its owners.</p> <p>Mr Jordan: Maybe we can find out where that's up to, and report back or something.</p> <p>Senator LEYONHJELM: Yes.</p> <p>Mr Jordan: I'm happy to do that, because—</p> <p>Senator LEYONHJELM: I'd appreciate that.</p> <p>Mr Jordan: as I said, I also get very frustrated with the period of time these things tend to take. And, as you know, these ones I mentioned earlier were years—the Chevron case was eight years. They're not criminal ones. Criminal ones really take a lot of time.</p> <p>Senator LEYONHJELM: Yes, you're right: the Chevron case took years, although that was primarily in the court. As far as I'm aware, nothing is in the court yet, and therefore the delay is harder to explain.</p> <p>Mr Jordan: I think that's right. Yes. I will check on that and we can answer that on notice, as to where that is.</p> <p>Senator LEYONHJELM: All right. Thank you.</p>	ATO	Wednesday 30 May
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65	1	Whish-Wilson, Ketter & Hume	Petroleum Resource Rent Tax	<p>Senator WHISH-WILSON: My questions are on the PRRT, the petroleum resource rent tax, also known as the petroleum resource rent tax. Can you give me an update on the current tax credits outstanding under the PRRT.</p> <p>Mr Hirschhorn: We have not updated the numbers yet since the last time we reported.</p> <p>Senator KETTER: Which was?</p> <p>Mr Hirschhorn: I think the last numbers we reported were \$238 billion of carry-forward, effectively, losses. While this hearing is still going, I'll try to find that number.</p> <p>CHAIR: Could you check that? I have some ATO taxation stats here that say for 2016-17 it's now \$278, 822,000,000.</p> <p>Mr Brine: That's correct. I have a figure of \$279 billion, but that might just be rounded. That's from the very recently released tax statements.</p> <p>CHAIR: When we're dealing with such large numbers, I'm happy to do a little rounding—let's make it \$279 billion. Previously, in 2015-16, that was roughly \$238 billion. Are you aware of the sort of average annual rate over the last five years that the PRRT tax credit offsets have grown at?</p> <p>Mr Hirschhorn: This primarily reflects two factors. One is that there has been massive investment in these assets over the last few years. The second is uplifts, because there is a cumulative super profits tax. I'll take the exact numbers on notice, but I think it's roughly gone up by about \$50 billion a year in the last couple of years</p>	ATO	Wednesday 30 May
66	1	Ketter	R&D Tax Incentive	<p>Senator KETTER: I have some questions relating to the R&amp;D tax incentive. I wanted to firstly ask: how many companies are currently registered for the R&amp;D tax incentive?</p> <p>Mr Olesen: I don't think I have that data with me. I'm happy to take it on notice.</p>	ATO	Wednesday 30 May
67	12	Carr	R&D Tax Incentive	<ol style="list-style-type: none"> <li>1. How many companies claimed the R&amp;D Tax Incentive in 2016-17; how does this compare to previous years? Please provide a breakdown since 2012-13 for both the refundable and non-refundable components; please also provide a breakdown by sector.</li> <li>2. What was the value of business expenditure on R&amp;D in 2015-16 and 2016-17? What is it to date in 2017-18?</li> <li>3. What is the average annual taxable income from companies who claim the non-refundable R&amp;D Incentive?</li> <li>4. Regarding the \$100 million cap on the non-refundable component – how many companies currently spend in excess of \$100 million on eligible R&amp;D? How many companies spend more than \$150 million? Please provide a breakdown by sector for both categories.</li> <li>5. How many R&amp;D claims were rejected by the ATO in FY 2017-18? Please provide a breakdown between the refundable and non-refundable elements. <ul style="list-style-type: none"> <li>- How many audits were conducted by the ATO in FY 2017-18?</li> <li>- How many FTE staff were engaged in audits of the R&amp;D tax incentive in 2017-18?</li> <li>- How many claims were denied as a result of the audits, and what was the cumulative value of this process?</li> </ul> </li> </ol>	ATO	Written

68	1	Whish-Wilson	Register of Backpacker Employers	<p>Senator WHISH-WILSON: Excellent. I look forward to that. This last question is a bit of an unusual one. It is about the backpacker tax package of bills. Do you remember the backpacker tax issue?</p> <p>Mr Jordan: Yes.</p> <p>[...]</p> <p>Senator WHISH-WILSON: Senator Leyonhjelm didn't like it. He's not here at the moment. The government agreed to remove it from the bill to get his support for the package, and then we negotiated an outcome. Nevertheless, the bill introduced in February 2017 has the requirement for this register but we haven't seen any establishment of a register yet, so I was just checking. I will read you quickly from Minister Morrison's second reading speech:</p> <p>The register will be made public, with a list of registered employers published on the ABN Lookup, making it easy for working holiday-makers and others to check the registration status of a potential employer.</p> <p>Has the ATO established a public register of backpacker employers?</p> <p>Mr Jordan: I recall the issue. When was that going to start from?</p> <p>Senator WHISH-WILSON: I don't remember when the start date was, but certainly the other laws came into effect immediately.</p> <p>Mr Jordan: We will need to take that on notice.</p> <p>[...]</p> <p>Senator WHISH-WILSON: If you could take that on notice and just note that the legislation said it would be made public.</p>	ATO	Wednesday 30 May
69	7	Ketter	Royalties paid to overseas firms	<ol style="list-style-type: none"> <li>1. Can you give a brief overview of how royalty payments are treated in the withholding tax and multinational tax space?</li> <li>2. How many assessments and audits has the ATO conducted in the past two years on significant global entities regarding inflated royalty payments used to divert profits overseas?</li> <li>3. How does the ATO determine whether a royalty fee is legitimate or over-inflated?</li> <li>4. Does the ATO have concerns that a multinational company may pay a royalty payment to a related party in a country with which Australia has a tax treaty, but that country may have a favourable tax regime such as patent boxes, which allows the firm to then pass the funds further on to a secrecy or no-to-low tax jurisdiction? How do you apply the MAAL or DPT in such circumstances?</li> </ol> <p>Has the ATO taken action on such schemes? How many assessments, audits, and revenues are associated with such schemes?</p>	ATO	Written



70	3	Ketter	Tax returns of child support payers (financial abuse by former partners)	<p>1. According to the answer to Question 11 from October 2017 (Question on notice no. 11, Portfolio question number: SQ17-000158, 2017-18 Supplementary budget estimates, Community Affairs Committee, Human Services (part of Social Services) Portfolio) from Human Services, at the conclusion of the tax lodgement period for 2015-16, there were 75,482 paying parents who had a child support debt and had not lodged a tax return for that year. What is being done by the Tax Office to make sure child support payers comply with their obligations to file tax returns?</p> <p>2. How many of the 75,482 child support payers who didn't lodge tax returns within the required time had financial penalties imposed upon them for failing to lodge tax returns?</p> <p>3. In the same answer noted in 1 above, the Department advised that it does not currently capture data on the impact to child support assessments of tax returns submitted by non-lodgers, as a result of lodgement enforcement activity. The Department said that "the collection of information required to answer this question would require an unreasonable diversion of departmental resources."</p> <p>How much would it cost to collect the data necessary to assist that Department? Are there information sharing arrangements that would assist in calculating the amount of outstanding child support debt of which the Department is aware?</p>	ATO	Written
71	2	Patrick	Top 100 Australian Companies dealing with the ATO	<p>Senator PATRICK: Let's deal with the top 100 companies where there's a team. [...]</p> <p>[...]</p> <p>Senator PATRICK: Is there a penalty if they don't lodge their tax return on time?</p> <p>Mr Hirschhorn: Yes. [...]</p> <p>Senator PATRICK: Can you, on notice, provide me with how much has been collected by way of those penalties for significant global entities over the last five years?</p> <p>Mr Hirschhorn: Yes. I can take that on notice.</p> <p>[...]</p> <p>Senator PATRICK: It's come to the attention of my office that one of the largest banks which operates in Australia didn't file a tax return for about 12 years. Are you aware of that case?</p> <p>Mr Hirschhorn: Offhand, I do not know that case. Can I say, it does surprise me that that is the case.</p> <p>Senator PATRICK: The provenience of the information I have is pretty good. I'll tell you that the bank involved—I say this so that hopefully you can just say it's wrong—was Goldman Sachs, between 2000 and 2012. The information that's been presented to me was that they didn't file a tax return over that period.</p> <p>Mr Hirschhorn: As a general comment, we do not talk about individual taxpayers.</p> <p>[...]</p> <p>Senator PATRICK: All right. I ask you to take it on notice. [...]</p> <p>[...]</p> <p>Senator PATRICK: [...] Also, without identifying other companies, irrespective of whether you have issued a fine or remitted it, could you please advise how many of the large 100s have not paid tax over, say, the last five years?</p> <p>Mr Hirschhorn: I can certainly take that on notice. I am very happy to provide aggregated data. [...]</p> <p>[...]</p> <p>CHAIR: Senator Patrick, I think Mr Hirschhorn said he's going to take it on notice.</p>	ATO	Wednesday 30 May
72	2	Cameron	TSL	<p>How many TSL recipients have commenced repayment of their TSL?</p> <p>o How much of the total TSL debt been repaid?</p>	ATO	Written

73	2	Whish-Wilson	Defence Expenditure	<p>Senator WHISH-WILSON: I want to check if Treasury is aware, or whether you concur, that Commonwealth spending on non-defence capital, inclusive of so-called off-books expenditure, is projected to decline by \$20 billion over the forward estimates, the four years from 2017-18 to 2021-22?</p> <p>Mr Brennan: I won't confirm the precise numbers, but in a sense it conforms more or less to the figures in our table 1 that show some moderation, albeit off a high base, of the total capital spend over the 2019-20, 2020-21 and 2021-22 time limit.</p> <p>Senator WHISH-WILSON: Can you take the exact number on notice? Is it possible to check whether we've got that?</p> <p>Mr Brennan: Yes.</p> <p>Senator WHISH-WILSON: I was interested more broadly in what you thought the productivity impacts will be of a heavy weighting towards defence expenditure—in my calculations, 40 per cent of Commonwealth capital spending by 2021-22 will be on defence spending—and whether you thought that would have productivity impacts on the economy or your forecasts around economic growth. That does relate to my earlier questions on multipliers. I also note that the Productivity Commission's latest trade and assistance review considered the justification for the new Defence Export Facility and concluded that it 'appears to be simply about a desire to sustain and grow an industry that has historically been an expensive failure in Australia.' Has Treasury modelled the opportunity cost of the increase in defence spending versus other allocation of that capital? Has Treasury advised government of any concerns it has with the long term viability of the defence industry in Australia? Have you responded to the Productivity Commission's conclusions? Do you share the Productivity Commission's concerns?</p> <p>Mr Brennan: I'll take some of that on notice and give you some response. Some of that goes to the question of advice to government, which I won't canvas. On the question of whether we've done modelling, part of the challenge here—</p>	Budget Policy Division	Tuesday 29 May
74	1	Ketter	GDP Trend	<p>forward estimates, ending at 24.7 per cent. Is that correct?</p> <p>Mr Brennan: That's correct, yes.</p> <p>Senator KETTER: Can you confirm that the trend continues beyond the forward estimates?</p> <p>Mr Brennan: We don't separately identify the payments of GDP over the medium term, but it's broadly constant, roughly constant, as a share of GDP over the medium term with some things increasing and some things decreasing. There are some payments that tend to rise a bit faster than GDP in some key spending areas—health and ageing among them—due to demographic factors. Other things are growing by less. One of the things detracting or keeping a bit of a lid on payments to GDP growth is falling interest expense over that period, just due to debt being a little bit lower. Broadly, it's neutral across the longer term.</p> <p>Senator KETTER: So you don't have a figure for the payments of GDP ratio in 2028-29, for example?</p> <p>Mr Brennan: I'll take it on notice. I don't have one to hand. It's not something we have generally published.</p>	Budget Policy Division	Tuesday 29 May

75	3	Whish-Wilson	Government Capital Expenditure	<p>Senator WHISH-WILSON: I have a couple more broadly on infrastructure funding. Can you tell me how much of the government's capital expenditure is currently debt-funded?</p> <p>Senator Cormann: Right now, as we—</p> <p>Senator WHISH-WILSON: Yes, right now or over the forward estimates?</p> <p>Mr Brennan: I'll go away and do the calculation, if that's all right.</p> <p>[...]</p> <p>Senator WHISH-WILSON: When you do that could I ask you to look at a couple of other things. Statement 4 of Budget Paper No. 1 details the productivity gains of public infrastructure investment, putting forward this GDP multiplier of four over the 25-year life of the project. Using that multiplier, have you modelled the average return on investment for the Australian economy of debt-funded infrastructure?</p> <p>Mr Brennan: I think the answer to that is no. We haven't done a forward-looking exercise trying to model what impact this particular program will have on GDP.</p> <p>[...]</p> <p>Senator WHISH-WILSON: I understand that. What I'm really getting to is: given productivity gains that can be achieved from debt-funded infrastructure, why is reducing net debt a really significant part of the government's fiscal strategy? It's expected to fall to four per cent in a decade. How will you fund infrastructure when debt is at that level, and what would be the opportunity costs of reducing that debt to that level given the obvious benefits you can achieve for the economy?</p> <p>[...]</p>	Budget Policy Division	Tuesday 29 May
76	1	Ketter	Medium-term Underlying Cash balances (UCB) figures	<p>For Chart 3 in Budget Paper 1, Statement 3, on page 3-13, can you please provide the year-by-year figures (from 2018-19 to 2028-29) for the UCB for both the 2018-19 Budget unconstrained and constrained lines.</p> <p>If you cannot unable to these figures, can you explain why these figures were previously provided in the 2016 Budget and the 2017 MYEFO?</p>	Budget Policy Division	Written
77	1	Stoker	Net Debt decline	<p>Senator STOKER: What does net debt decline to at the end of the medium term?</p> <p>Mr Brennan: As I mentioned earlier, on our projections, it declines to 3.8 per cent of GDP. And as has been widely canvassed today, that is a projection not necessarily a prediction. You'll note from the chart in statement 3 that it shows a kind of linear reduction, and life is never so linear and straightforward. That's chart 5 on page 3-16. But that's a reflection, on a no-policy-change basis, of what would happen to net debt.</p> <p>Senator Cormann: On that same basis, in dollar terms, the forecast and projections indicate that net debt would be reduced by \$30 billion over the forward estimates and \$232 billion over the medium term.</p> <p>Senator STOKER: Again, how does that compare to the status as at MYEFO?</p> <p>Senator Cormann: It's better. In terms of the specific numbers, we might have to take that on notice.</p>	Budget Policy Division	Tuesday 29 May
78	2	Ketter	Progress on budget repair measures	<p>1. On page 3-19 of BP1 there's a small section on 'progress on budget repair measures'. Are you able to provide a breakdown of:</p> <ul style="list-style-type: none"> <li>• The remaining budget measures announced prior to the 2018-19 Budget which totals to the \$6.7 billion</li> <li>• The impact of budget repair measures announced prior to the 2017-18 Budget which totals to less than \$2.2 billion</li> </ul>	Budget Policy Division	Written

79	8	Patrick	Air Travel Expenses	<p>For FY 16/17:</p> <ol style="list-style-type: none"> <li>Please provide details of the Qantas/Virgin split for official travel in terms of: <ol style="list-style-type: none"> <li>Total number of tickets</li> <li>Total value spent for official travel?</li> </ol> </li> <li>In the event there is a disparity of greater than 65/35 in the split (either way), please provide a detailed reasons for the split in the context of a lowest practical fare policy.</li> <li>How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only the Qantas Chairman's Lounge? <ol style="list-style-type: none"> <li>Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only Virgin's The Club? <ol style="list-style-type: none"> <li>Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from both the Qantas Chairman's Lounge and Virgin's The Club?</li> </ol>	CGC	Written
80	4	Ketter	2018-19 Budget measure: Enhancing Treasury's Ongoing Capability to Support Government	<p>Treasury.</p> <ol style="list-style-type: none"> <li>Can you provide details of what the \$10 million in capital is being used for?</li> <li>On the additional \$14 million per year in expenses, can you provide details of what this is used for? How many new staff are part of this measure, for 2019-20 and 2020-21?</li> <li>The measures description says that it will help with issues including tax policy, revenue forecasting, macroeconomic modelling and foreign investment issues. Does that mean that the additional resources will not be used for any other Treasury function not mentioned in the measures description?</li> <li>The measures description says it extends last year's budget measure on 'Enhancing Treasury Capability'. Can you explain why additional resources were required over and above last year's budget measure? How many total additional staff are assumed as a result of the combination of the two measures?</li> </ol>	Chief Financial Officer Division	Written
81	2	Ketter	Portfolio Budget Statement	<p>With regard to the Budget expenses for Outcome 1, Program 1.1, can you explain why there are no expenses not requiring appropriation in the Budget year for 2018-19 to 2021-22?</p> <p>With regard to the Budget expenses for Outcome 1, Program 1.2, can you explain why there are no expenses not requiring appropriation in the Budget year for 2019-20?</p>	Chief Financial Officer Division	Written
82	7	Ketter	Treasury Contracts	<p>In relation to some Treasury contracts listed on Austender since the start of this year.</p> <ol style="list-style-type: none"> <li>CN3500376 with Dentsu Mitchell Media Australia Pty Ltd for Advertising that was worth \$7.37 million – what was that for? Which specific campaigns?</li> <li>CN3494376 with Investa Asset Management PL for Lease and Rental of Property or Building that was worth \$1.65 million – what was that for? What property/building is being leased, and where is that? What Treasury staff or facilities are in that property/building?</li> <li>CN3484166 with the Hyatt Hotel Canberra for Banquet and Catering Services that was worth \$25,000 – what was that for? Do you have details of what the \$25,000 was for, venue hire, food and drinks, etc?</li> </ol>	Chief Financial Officer Division	Written

83	3	Rice	Capital Spending	<p>where it says: Commonwealth borrowing is funding investments that add to the productive capacity of the economy. That is in contrast to recurrent spending being funded through the current revenue. I just wanted to check: does that mean that all of that capital spending—or what proportion of that capital spending—is being funded through borrowing?</p> <p>Mr Brennan: Not absolutely all of the capital spend is funded through borrowing over the forward estimates. The budget is returning to surplus by 2021, for example, which implies that recurrent cash is effectively more than covering the recurrent spend, and it's fully funding the capital spend as well.</p> <p>Senator RICE: Can you take on notice what proportion of that capital spending in that table is funded through borrowing and what is covered through the cash surplus?</p> <p>Mr Brennan: Sure.</p> <p>Senator RICE: So there wouldn't be any of it in the direct capital investment? Direct capital investment, as you said, is military and government.</p> <p>Mr Brennan: Yes; in the transport space, if you regard Western Sydney airport, for example, as a transport project. Sorry, that's a financial asset investment as well. The direct capital investment is not a lot of transport infrastructure, it's fair to say.</p> <p>Senator RICE: So it's included in the capital grants and financial asset management?</p> <p>Mr Brennan: Yes.</p> <p>Senator RICE: But, even then, it's still a relatively small proportion of those. So I did want to explore what the rest of those programs are.</p> <p>Mr Brennan: We'll take that on notice, if that's alright. For example, in 2018-19, your total is around \$8.6 billion for things like the Infrastructure Investment Program, financial assistance grants and the like, as compared with our capital grants line, which is more like \$11.5 billion.</p> <p>Senator RICE: That's right. But some of that \$8.6 billion is also equity investment—approximately \$8 billion. So it's included in both. So, there's quite a bit of unknown.</p> <p>Mr Brennan: Sure.</p> <p>Senator RICE: Could you provide for me a breakdown of those three capital streams, according to program and portfolio?</p> <p>Mr Brennan: We can do our best. I think we can certainly put a bit more detail on the capital grants, because they're really coming out of Budget Paper No. 3. They're payments typically to the states that are of a capital nature and they</p>	Commonwealth-State Relations Division	Tuesday 29 May
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84	30	Bartlett	Funding to Boost Services in the Northern Territory	<ul style="list-style-type: none"> <li>o Are there any conditions on this payment?</li> <li>• The description in the Budget says this is a GST top up. Why has the government made a payment outside of the Commonwealth Grants Commission process? Does the government intend to keep overriding that process?</li> <li>o Why is this a one off payment? If the NT needs it now, wont they need it in the future?</li> <li>• What analysis of service needs in the Northern Territory was conducted to determine the required level of payment?</li> <li>o How did the payment offered relate to this analysis?</li> <li>o When did Treasury provide the government with its analysis of needs in the Territory?</li> <li>o Or was the dollar amount determined by the Treasurer?</li> <li>o Was it done in negotiation with the NT government?</li> <li>o If there was negotiation with the NT government, when did the NT government agree to the terms?</li> <li>o Did the NT government have to agree to do anything in order to receive this funding?</li> <li>• On what dates did the following occur?</li> <li>o When did Treasury first brief the Treasurer about a potential payment for this purpose?</li> <li>o When did the Treasurer first commit to a payment for this purpose?</li> <li>o When did Treasury first propose a payment of the amount contained in the budget?</li> <li>o When did the Treasurer first commit to a payment of the amount contained in the budget?</li> <li>o When did Treasury or the Treasurer first decide to announce the funding, and on what date was it planned for announcement?</li> <li>o When did Treasury or the Treasurer first decide to announce the funding on 23 April 2018?</li> <li>o When did the Commonwealth first tell the NT government any such payment would be made?</li> <li>o When did the Commonwealth first tell the NT government that a payment would be made of the amount contained in the budget?</li> <li>o When did the Commonwealth first tell the NT government that the payment would be announced on 23 April 2018?</li> <li>• Did the government decision to make this payment have anything to do with the NT's decision to allow fracking?</li> <li>o Did negotiations about this budget item in any way include negotiations about fracking?</li> <li>o Did any correspondence from Treasury to either the Treasurer or the NT government mention both a payment from the Commonwealth to the NT and potential gas fracking? If so, on what date(s)?</li> <li>• The announcement for this budget item was made on 23 April 2018. That was one week after the Northern Territory government announced it would allow fracking, under 135 conditions, in the Northern Territory. (16 April)</li> <li>o Was this a coincidence?</li> </ul>	Commonwealth-State Relations Division	Written
85	9	Ketter	PC Final Report into Horizontal Fiscal Equalisation	<ol style="list-style-type: none"> <li>1. When did the Productivity Commission delivered its final report into Horizontal Fiscal Equalisation to the Treasurer?</li> <li>2. Did Treasury receive a copy of this report and when did this occur?</li> <li>3. Has Treasury provided briefing to the Treasurer or Treasurer's office in relation to this report?</li> <li>4. Has Treasury been in contact with your counterparts at the state and territory level regarding this report? If so, when did Treasury contact them? Have there been meetings with the states and territories? If so, when did these happen?</li> <li>5. Does Treasury know if the Treasurer, or any of his office, have been in contact with his state and territory counterparts (or their offices), regarding this report? If so, when did that happen?</li> </ol>	Commonwealth-State Relations Division	Written

86	6	Georgiou	Underspend on GST payments meant for Indigenous Communities	<p>The Yothu Yindi Foundation has told the Productivity Commission's GST review in a submission that the NT Government underspent about \$500m in GST payments meant for disadvantage Indigenous communities in 2015-16.</p> <p>a) Is it true half a billion dollars assessed for Indigenous services in 2015-16 was spent elsewhere by the NT government? If so, were there any consequences imposed by the Commonwealth Government?</p> <p>b) If the money was in fact spent elsewhere, is it fair for the other states, (in particular my home state of WA), to be concerned that the GST they're losing out on is being misappropriated?</p> <p>c) How does the department ensure the NT Government spends the money as it is intended, and how can the states like WA who are missing out on a fair share of GST be sure that they are not being ripped off?</p>	Commonwealth-State Relations Division	Written
87	1	Ketter	Budget Lock-up: Ministers Office attendees	<p>Senator KETTER: I've got a couple of questions about the lock-up, and then I'll hand over to Senator McAllister. Mr Flavel, could you confirm that there are ministerial staff in the lock-up from offices other than those of Ministers Morrison and Cormann?</p> <p>Mr Flavel: Yes, it's my understanding that other ministerial staff in addition to the staff of the Treasurer's and Minister for Finance's office are in attendance.</p> <p>Senator KETTER: Can you tell me which ministers have staff there?</p> <p>Mr Flavel: I'll have to take that on notice, sorry. I only have aggregate details. As the secretary mentioned, there's a very large number; over 800 people attend. I don't have the individual details on me.</p>	Communications and Parliamentary Division	Tuesday 29 May
88	1	Ketter	Budget Papers: Chart Data Pack	<p>Senator KETTER: Finally, Chair, on a different matter: the budget papers normally have a chart data pack attached to it, and I'm told that the last time we checked it's not available on the website—for Budget Paper No.1. Can you tell us when that chart data pack—</p> <p>Senator Cormann: We'll check that out. Somebody would have heard you just ask that. We'll make sure that is followed through. I'm not aware of any reason.</p>	Communications and Parliamentary Division	Tuesday 29 May
89	3	Ketter	Budget Papers: Chart Data Pack	<ol style="list-style-type: none"> <li>1. Can you confirm that the 2017-18 MYEFO website includes a link to a zip file that includes data that underlies several charts and graphs in the 2017-18 MYEFO?</li> <li>2. Can you confirm that the 2016-17 Budget website, specifically for Budget Paper 1, has links that underlies several charts and graphs in the 2016 Budget?</li> <li>3. Can you advise as at 12 June 2018 that similar data has not been made available for the 2018-19 Budget? Can you explain why this is the case?</li> </ol>	Communications and Parliamentary Division	Written

90	12	Ketter	Corrections to Budget Paper 1	<p>couple of notes that show there have been corrections made to the online version when compared to the printed version.</p> <p>Going to the first correction:</p> <p>1. When compared to the hard copy on page 3-28 of BP1, it looks like there is a difference in the profile for 'NBN loan'. Can you explain why there was the difference between the printed version? When was the error found, and when was the online correction put up on the website? Who found the error? How was the error picked up? From a policy perspective what does it mean to have the changed NBN loan profile?</p> <p>2. The other profile which looks to be different is 'Net other'? Can you explain why there was the difference between the printed version? When was the error found, and when was the online correction put up on the website? Who found the error? How was the error picked up?</p> <p>The second correction:</p> <p>3. Comparing this online correction to the printed version, it looks like the correction is that the text should have said the Government provided the final \$2 billion instead of the final \$1.5 billion. Can you explain why there was the difference between the printed version? When was the error found, and when was the online correction put up on the website? Who found the error? How was the error picked up?</p>	Communications and Parliamentary Division	Written
91	4	Ketter	Estimates Briefing	<p>1. How many estimates opening packs were compiled by Treasury for:</p> <ul style="list-style-type: none"> <li>• The Treasurer / Treasurer's office?</li> <li>• The Minister for Revenue and Financial Services / Minister for Revenue and Financial Services' office?</li> <li>• The Assistant Minister to the Treasurer / Assistant Minister to the Treasurer's office?</li> <li>• The Minister representing the Treasurer (at estimates) / The office of the Minister representing the Treasurer (at estimates)?</li> </ul>	Communications and Parliamentary Division	Written
92	3	Ketter	Treasury DLOs in Treasury Portfolio Ministers' Offices	<p>1. How many DLOs from the Department are there in the:</p> <ul style="list-style-type: none"> <li>• Treasurer's office</li> <li>• Minister for Revenue and Financial Services' office</li> <li>• Assistant Minister to the Treasurer's office?</li> </ul>	Communications and Parliamentary Division	Written
93	1	Whish-Wilson	Beneficial Owners Register	<p>Senator WHISH-WILSON: Mr Jordan, in relation to your opening statement and your responses to Senator Keneally's questions about Four Corners, [...] The government announced its commitment to establish a beneficial owners register in December 2016. Can you update us on that?</p> <p>[...]</p> <p>Ms Mrakovcic: That question should probably be referred to Markets Group in Treasury. I'm happy to take it on notice for them.</p> <p>[...]</p> <p>Senator WHISH-WILSON: It's company structures, right?</p> <p>Ms Purvis-Smith: That's right. My understanding is that Markets Group have put out a consultation paper and are responsible for the legislation, so questions in relation to that should be referred to Markets Group.</p> <p>Senator WHISH-WILSON: But it is an anti-tax-avoidance strategy, correct?</p> <p>Ms Purvis-Smith: In relation to the material on companies—and again, I think this is best framed to Markets Group—it's relating to the change in the Corporations Act.</p> <p>Senator WHISH-WILSON: If you could take that on notice, and I'll put some questions to them as well. I want to know what work's been done on it, and whether we're still going to see some kind of legislation.</p>	Consumer and Corporations Policy Division	Wednesday 30 May



94	7	Ketter	Mechanics Policy	<p>1. The ACCC Market Study into the New Car Retailing Industry recommended a mandatory scheme for sharing automotive data and repair information with the independent repair sector. That report was completed on 14 December 2017 (nearly six months ago). Do you have information on the expected timeline for Treasury's consideration of this recommendation?</p> <p>2. How many people are working on the policy matter in Treasury? Has the Government requested advice?</p> <p>3. When do you expect to advise the government on that recommendation? Specifically, what is the timeframe?</p> <p>4. Can you provide the committee a list of stakeholders Treasury have consulted with on the measure in the past 12 months, including dates?</p> <p>5. Has Treasury asked the Australian Competition and Consumer Commission about their preferred model?</p>	Consumer and Corporations Policy Division	Written
95	1	Ketter	Modernising the Business Registers	<p>[...]</p> <p>Senator KETTER: Can you confirm that the measure in the budget is only for the development of the business case, not for the actual work of modernising the Business Register?</p> <p>Ms Williamson: That is correct.</p> <p>Senator KETTER: As part of the process of developing this measure, have Treasury or any of the agencies completed estimates of the potential costs of modernising the business registers?</p> <p>Ms Williamson: It might be best if I take that on notice. There was a request for information process that was run at the end of last year, but I would have to take on notice and come back to you on whether dollar figures were made public as part of that process, if that's okay.</p> <p>Senator KETTER: I'm particularly interested in whether or not this will bring back the proposal to revisit privatisation that was dropped in the 2016-17 MYEFO?</p>	Consumer and Corporations Policy Division	Tuesday 29 May
96	2	Ketter	New Car Retailing Industry sharing data and repair information	<p>Senator KETTER: All right. I'd just like to turn to the issue of sharing technical information with independent car mechanics. This is for car manufacturers. There was an ACCC market study into the new car retailing industry, and it recommended a mandatory scheme for sharing automotive data and repair information with the independent repair sector. That report was completed on 14 December last year. Do you have information on the expected time line for Treasury's consideration of this recommendation?</p> <p>Ms Williamson: Yes. Minister Sukkar made an announcement on 4 May that you may be aware of in that regard—that the government is consulting with industry and stakeholders in considering the design of a mandatory scheme for the sharing of technical information with independent repairers. That is work that's underway. We're working very closely with industry and our colleagues across government to start exploring the most suitable design of a scheme to address those issues raised in the market study.</p> <p>Senator KETTER: Can you tell me how many people are working on this policy matter within Treasury?</p> <p>Ms Williamson: I'll have to take it on notice. Let me take it on notice within my team, if that's okay.</p> <p>Senator KETTER: Okay. Has the government requested advice?</p> <p>Ms Williamson: Yes, we have provided advice to the minister on this issue.</p> <p>Senator KETTER: Can you tell me when that was?</p> <p>Ms Williamson: Sorry, I don't think I've got the dates of the advice with me, but I can take that on notice and come back to you.</p> <p>[...]</p> <p>Senator KETTER: Can you provide us with a list of stakeholders that Treasury is consulting with on this matter?</p> <p>Ms Williamson: Yes, I am happy to do so, if I can take that on notice—absolutely.</p> <p>Senator KETTER: And including the dates?</p>	Consumer and Corporations Policy Division	Tuesday 29 May

97	5	Ketter	Reforms to combat illegal phoenixing	<p>1. The 2018 Budget notes the Government's commitment to a Director Identification Number. That was originally announced on September 2017. Has Treasury drafted legislation to implement the Director Identification Number?</p> <p>2. When will there be exposure draft legislation to introduce the DIN?</p> <p>3. In relation to the PwC report on illegal phoenix activity, which includes updated estimates on the economic cost of such activity: The last report was in 2012, and initial estimates were provided to the Phoenix Taskforce in 2015. Why is this report being delayed?</p> <p>4. Email correspondence from Deputy Commissioner Will Day to Assistant Commissioner Clare Gunning on February 16 2018 states that the PwC report "is not yet finalised and won't be ready to be published in the near future". However, in response to a FOI request for the interim report, the FOI office stated on 9 March 2018 "We are looking to finalise our view and publish the report in the near future". Is the report close to release? When will the report be released?</p>	Consumer and Corporations Policy Division	Written
98	5	Keneally & Ketter	Build-to-rent & Managed Investment Trusts	<p>Senator KENEALLY: [...] May I please move on to build-to-rent? I'd like to talk about the media release of 14 September 2017 from the Treasurer and the Assistant Minister to the Treasurer, which talked about managed investment trusts not being able to acquire residential property other than affordable housing. This is still government policy, yes?</p> <p>Ms Mrakovcic: I believe so.</p> <p>Senator KENEALLY: Can you confirm that this ban on managed investment trusts started at 4.30 pm on 14 September 2017?</p> <p>Ms Mrakovcic: I'd have to take that on notice.</p> <p>Senator KENEALLY: Was draft legislation for this measure released for consultation?</p> <p>Ms Mrakovcic: I'd have to take that on notice.</p> <p>Senator KENEALLY: And could you also then take on notice when did that consultation period close? Is legislation to implement this measure before the parliament? I don't believe it is, but I just want to double-check.</p> <p>Ms Mrakovcic: As per the other questions, I'd have to take it on notice.</p> <p>Mr McKenna: The answer is that legislation is not yet before parliament for that measure.</p> <p>Senator KENEALLY: Do you know if draft legislation for the measure was released for consultation?</p> <p>Mr McKenna: It was late last year. I don't know the precise dates, but it was released around the time that you were mentioning the press release.</p> <p>Senator KENEALLY: And are you able to confirm that the ban on managed investment trusts started at 4.30 pm on 14 September 2017?</p> <p>Mr McKenna: Sorry; I don't have the finer details with me.</p> <p>Senator KETTER: Is that because we don't have legislation behind that?</p> <p>Mr McKenna: No; that's just because I don't have the finer details with me at the moment.</p> <p>Senator Cormann: And we've already taken that on notice.</p> <p>Senator KENEALLY: Minister, do you know when the government will put this legislation to parliament?</p> <p>Senator Cormann: It's not in my area of responsibility, and the officers have taken it on notice. We'll find out and get that response to you as soon as possible.</p>	Corporate and International Tax Division	Wednesday 30 May

99	1	Hume & Ketter	Company Tax Cuts Modelling	<p>cuts and how they potentially flow through to productivity, to investment, to jobs and also to wages. What has Treasury modelling found with regard to those particular indicators?</p> <p>CHAIR: There was some alternative modelling done by Independent Economics. Can you tell us what that independent modelling might have found in comparison to the Treasury modelling?</p> <p>[...]</p> <p>CHAIR: I was going to ask about KPMG modelling as well, so if there's anybody who's across the KPMG modelling and what that might have found—</p> <p>[...]</p> <p>CHAIR: So three pieces of modelling have come up with the same—</p> <p>Mr Davis: The KPMG results were very similar, yes.</p> <p>CHAIR: Excellent; thank you. There's also been some analysis done by somebody named Janine Dixon that's been reported in the media. Is anybody familiar with that modelling?</p> <p>Mr Davis: Yes.</p> <p>CHAIR: Is the modelling used by that particular academic suitable for examining corporate taxation and investment subsidies? If so, or if not, how do the findings of that study compare to the accepted economic theory and observed outcomes?</p> <p>Mr Davis: [...]That particular modelling is not actually modelling the policy; it's modelling something slightly different.</p> <p>CHAIR: So it's not modelling the policy of the enterprise tax plan; it's modelling something entirely different?</p> <p>Mr Davis: It doesn't model a number of things, but the key bit that it doesn't model is the thought that the policy's announced in advance of introduction. That particular modelling assumes that all businesses are not forward looking; it assumes they're backward looking so there's no reaction from anyone in the economy until the policy is introduced.</p> <p>[...]</p> <p>Senator KETTER: Mr Davis, did the Treasurer's office ask you to review and analyse the modelling from Janine Dixon and Peter Swan?</p> <p>Ms Mrakovcic: I might answer that question. I can't recall whether they would've asked us to, but I'm sure that we would've provided analysis of a whole range of modelling assumptions and results that were being produced by others. That would be part and parcel of our role as advisers. We basically keep—</p> <p>Senator Cormann: We're happy to take it on notice, but I don't think that there's anything unusual about the government of the day seeking advice, if that's what happened on this occasion, or Treasury spontaneously offering advice in relation to analysis of this sort, which clearly is directly relevant to a conversation the government is involved</p>	Corporate and International Tax Division	Wednesday 30 May
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100	4	Ketter	Dividend Imputation	<p>Senator KETTER: Is it fair, Ms Mrakovcic, to say that Treasury has done no work on proposals to reform dividend imputation over the past two years?</p> <p>Ms Mrakovcic: I'd have to take that question on notice. [...]</p> <p>Senator KETTER: I understand that Treasury has consulted stakeholders on options to reform dividend imputation in the last few budget cycles. Have you consulted with any stakeholders over the last few years on options to reform the refundability?</p> <p>Ms Mrakovcic: Sorry, could you repeat that statement?</p> <p>Senator KETTER: I understand that you've consulted with stakeholders on options to reform dividend imputation. [...]</p> <p>Ms Mrakovcic: I'm not aware of it, but I will take it on notice.</p> <p>Senator KETTER: On the Treasury website, in the so-called Harradine list of documents created between 1 January 2017 and 30 June 2017, there is a document called 2017RG-383-1341, Taxation and Income Support - Advice - Tax Policy - Dividend Imputation. Are you familiar with that document? [...]</p> <p>Senator KETTER: That file contains 16 documents totalling 71 pages, according to FOI. Of those 71 pages in 16 documents, would any of them provide advice or entertain reform options or areas of further investigation?</p> <p>Ms Mrakovcic: I'd have to take that question on notice.</p> <p>Senator KETTER: Did any of those documents provide estimates on the revenue cost of refundable excess imputation credits?</p> <p>Ms Mrakovcic: I'll have to take that question on notice.</p> <p>Senator KETTER: Has the Treasurer's office given Treasury a request to cost any options to reform the refundability of dividend imputation?</p> <p>Ms Mrakovcic: I'll have to take that question on notice.</p> <p>Senator KETTER: Has Treasury ever looked at possible reforms in recent years to wind back the refundability of excess imputation credits? [...]</p> <p>Senator KETTER: I just want to finish off with one further question. [...]</p> <p>Ms Mrakovcic: To go to the question you asked, I can imagine that the issue of dividend imputation would have been</p>	Corporate and International Tax Division	Wednesday 30 May
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101	15	Ketter	Levy on digital services and multinational taxation	<p>1. The Treasurer indicated on Budget night that he would release a discussion paper on taxation in the digital economy. When is that paper expected to be released?</p> <p>2. Will the paper canvass options for digital such as a levy, equalisation levy, withholding taxes, or a turnover tax?</p> <p>3. Can Treasury please provide the names, locations and dates of the Treasurer's meeting with US digital firms in the past 12 months?</p> <p>4. How long has Treasury been consulting stakeholders on a digital tax or levy? Can you provide a list of those stakeholders you've met with in the last 12 months?</p> <p>5. What issues, such as loopholes or potential tax avoidance, have Treasury or the ATO identified the digital sector as a risk area? Can you detail the types of tax avoidance underway?</p> <p>6. The Multinational Anti-Avoidance Law and particularly the Diverted Profits Tax were colloquially known as the "Google Tax". Why are the MAAL and DPT insufficient to collect a fair share of tax from digital firms?</p> <p>7. We note that in the last year the Government and the ATO have modified their language in highlighting the effect of the MAAL. Previously there was an implication that the MAAL had raised over \$4 billion in assessments, when in reality the majority of that figure was from retrospective assessments related to periods prior to the MAAL coming into force. Now the Government and ATO state over \$7 billion of revenues from digital firms are now being booked in Australia. What is the current estimate of additional revenues booked in Australia?</p> <p>8. Does Treasury or the ATO have an estimate of what tax revenue is associated with those sales?</p> <p>9. Does the ATO or Treasury have concerns that digital firms may use contrived arrangements to make deductions to avoid paying tax on that extra sales booked in Australia? Can you provide examples?</p> <p>10. The European Union is currently looking at a digital firm levy – has consensus been reached there? Has the Treasurer or Treasury consulted with European representatives?</p> <p>11. India has had a digital firm levy for two years. It has raised approximately USD\$90 million each year. Would options for a digital levy collect a similar amount in Australia?</p> <p>12. Would it be likely that a digital levy would offset the estimated \$15 billion a year cost of the full implementation of the Government's Enterprise Tax Plan?</p>	Corporate and International Tax Division	Written
102	1	Stoker	Tax Cuts for companies up to \$2M turnover	<p>million in turnover.</p> <p>Senator Cormann: Up to \$2 million? So the first three years we have legislated, just to remind everyone—so in the 2016-17 financial year we increased the turnover threshold to \$10 million. In 2017-18 it went to \$25 million, which is the current financial year, and in the 2018-19 financial year it goes to \$50 million. That's 27.5 per cent, then over the medium term the rate starts to reduce until it reaches 25 per cent for those businesses with a turnover of up to \$50 million by 2026-27.</p> <p>Senator STORER: So the ones that currently have the tax cut, what is the evidence of employment, wages coming out of those companies to date?</p> <p>Mr Brennan: It would probably be best for us to take this line of questioning on notice.</p>	Corporate and International Tax Division	Tuesday 29 May

103	1	Ketter	APRA Governance Bill	<p>Senator KETTER: Okay. I turn to the APRA governance bill that we've just seen introduced. This is in relation to a second deputy chair for APRA. Can you tell me who initiated the idea of APRA having a second deputy chair?</p> <p>Ms Brown: It was a decision of the Treasurer to introduce that legislation. As is usual, he got advice both from APRA and from Treasury.</p> <p>Senator KETTER: So it was a decision of the Treasurer. Did you provide advice to the Treasurer about the appointment?</p> <p>Ms Brown: Yes, we did, as is usual practice.</p> <p>Senator KETTER: Can you tell me when that occurred?</p> <p>Ms Brown: I would have to take that on notice to give you the correct dates.</p>	Financial Systems Division	Tuesday 29 May
104	4	McAllister	ASIC statement of expectations	<p>Senator McALLISTER: I'm interested to understand whether the new ASIC statement of expectations has taken effect.</p> <p>Mr Lonsdale: I'll ask Ms Williamson to answer that.</p> <p>Ms Williamson: The statement of expectations was provided to ASIC by the government, and the usual course of events is that ASIC then have three months, I understand, to prepare their statement of intent, which is in a sense their response document to the government's statement of expectations. That process is currently underway. I'll clarify the dates on notice, if that's okay, but I think we're about six or seven weeks into that period from when the government provided their statement of expectations to ASIC.</p> <p>Senator McALLISTER: Could you give me some indication of what the next steps are? If you aren't able to give the exact dates, you could take that element of it on notice.</p> <p>Ms Williamson: Yes, no problem.</p> <p>Senator McALLISTER: But it would be good to understand what the sequence of events is in terms of that statement of expectations and that statement of intent becoming operational and a meaningful framework within which that organisation then works.</p> <p>Ms Williamson: Yes. No problem.</p> <p>Senator McALLISTER: Thanks. No—could you tell me the sequence, if not the actual dates?</p> <p>Ms Williamson: I'll have to take the detail on notice, if that's okay. But the key steps from here are that ASIC is now considering the document and developing their statement of intent. It is the usual course of affairs, I understand, that those documents would be made public in due course after ASIC has provided the statement of intent back to the government. But I'd have to go and check the detail on notice, if that's okay, about the time frames that flow after that. [...]</p> <p>Senator McALLISTER: The core thing I'm trying to understand is whether they are expected to comply with it from the moment it is provided to them or whether that compliance obligation is deferred until the point in time when they issue a statement of intent.</p> <p>Mr Lonsdale: Can we be that categorical? I'm happy to come back.</p> <p>Ms Williamson: Yes, we'll have to come back.</p> <p>[...]</p> <p>Senator McALLISTER: Okay, and on notice you will come back with the exact date when that is all concluded?</p> <p>Ms Brown: Yes.</p>	Consumer and Corporations Policy Division	Tuesday 29 May

105	1	Ketter	Australian Financial Complaints Authority (AFCA)	<p>Senator KETTER: When was the decision taken to postpone the commencement of AFCA?</p> <p>Ms Brown: I will have to take that on notice.</p> <p>[...]</p> <p>Senator KETTER: Can you tell me why that wasn't foreseen at the time that AFCA was announced in the 2017 budget?</p> <p>Ms Brown: I think it was, again, that a number of discussions during the transition team process raised a number of issues. It is very complex, introducing a whole new body, so there obviously were issues that required further consideration or that arose as part of the discussions between the applicant and the transition team.</p> <p>Senator KETTER: And when did the need for this funding become apparent?</p> <p>Ms Brown: I'll have to take that on notice to see exactly when the first request was made.</p> <p>[...]</p> <p>Senator KETTER: Okay. There's a proposal for a not-for-profit company to operate the AFC. Can you tell us: has a proposal been lodged with Treasury yet on that?</p> <p>Ms Brown: A proposal has been lodged, and the minister has made a decision as to who she would authorise as AFCA. If you bear with me, I think I can refer you to the relevant press release that was issued when the minister made that decision. So, on 1 May, the minister issued a press release announcing the authorisation of Australian Financial Complaints Limited as the Australian Financial Complaints Authority.</p> <p>Senator KETTER: Can you tell me when they lodged their proposal with Treasury?</p> <p>Ms Brown: I'll have to take that on notice. But it wasn't lodged until after the legislation had been passed.</p>	Financial Systems Division	Tuesday 29 May
106	1	Ketter	Banking Executive Accountability Regime (BEAR)	<p>Senator KETTER: Last time you indicated that the legislation was being drafted by an alternative drafter. Can you tell me which law firm is doing the drafting?</p> <p>Mr Lonsdale: You are right that we used an alternative drafter, so I confirm the evidence that we gave last time. I would have to take on notice exactly who the drafter was. I can say to you that there are four drafters that we are using. I'm happy to give those names to you, if that's of help, and take your question on notice.</p>	Consumer and Corporations Policy Division	Tuesday 29 May
107	1	Hume	Corporate and Financial Misconduct	<p>CHAIR: I want to ask about penalties for corporate and financial misconduct and the changes that have been made in this particular area. Obviously the government recently announced some changes to the penalties for corporate financial misconduct. [...]</p> <p>[...]</p> <p>CHAIR: How do they align with international standards or international best practice in this area?</p> <p>Ms Brown: I'm sure the review panel or the task force looked at the international precedent. I'm sure they tried to match. I would need to take that on notice to give you more information.</p>	Financial Systems Division	Tuesday 29 May
108	6	Keneally	Managed Investment trusts (MITs)	<p>With reference to a media release on 14 September 2017 from the Treasurer and the Assistant Minister, which talked about managed investment trusts not being able to acquire residential property other than affordable housing, can you confirm whether this is still government policy?</p> <p>a. Can you confirm that this ban on managed investment trusts started at 4.30 pm on 14 September 2017?</p> <p>b. Was draft legislation for this measure released for consultation?</p> <p>c. When did that consultation period close?</p> <p>d. Is legislation to implement this measure before the Parliament?</p> <p>e. If not, when will this legislation be put before the Parliament, and by which Minister?</p> <p>f. Has the eight-month gap between the announcement and the legislation being introduced to the Parliament created uncertainty for investors?</p>	Financial Systems Division	Written

109	6	Ketter	Mandatory Comprehensive Credit Reporting - regulations	<p>1. When was the decision made to release draft regulations relating to the mandatory comprehensive credit reporting regime?</p> <p>2. Why were they released on 4 June? Were they available to be released earlier?</p> <p>3. Who made the decision to have a less than two week consultation period, noting that 11 June is a public holiday in many states and territories?</p> <p>4. How does the length of this consultation period compare to other regulations released for consultation?</p> <p>5. Given the scheme is intended to commence on 1 July, when will the regulations be finalised for tabling in the Parliament?</p>	Financial Systems Division	Written
110	5	Ketter	Australian OECD National Contact Point – poor handling of complaints	<p>2. How many specific instance complaints have been handled by the ANCP? In the Final Report it said the ANCP has handled 17.</p> <p>3. The Independent Review criticises the ANCP and states “An effective NCP should be compatible with the OECD Guidelines and, more broadly, it should ensure that its outcomes and remedies accord with internationally recognised human rights.”</p> <p>The Independent Review goes on to describe a complaint to the ANCP brought by the ACTU against Rio Tinto. It continues “The ANCP dismissed the complaint on the basis that Rio Tinto was not a multi-national enterprise, and that the company had complied with Australian laws and, therefore, with the Guidelines. After seeking clarification from the OECD’s Investment Committee, it was confirmed that compliance with domestic law does not equate to compliance with the Guidelines, and that Rio Tinto was a multinational enterprise. Nonetheless, the decision was not revisited by the ANCP.”</p> <p>Why did the ANCP not revisit this decision?</p> <p>4. Has the ANCP failed to proceed with any other complaints because the company had complied with domestic laws, even in circumstances where the company’s conduct breached the Guidelines?</p> <p>5. Why did the ANCP believe Rio Tinto not to be a multinational enterprise?</p>	Foreign Investment Division	Written
111	3	Ketter	Australian OECD National Contact Point – resource constraints	<p>1. In its submission to the Review into the ANCP, the ACTU and CFEMU expressed concern that the ANCP is “woefully under-resourced for its task with only one part-time staff member and virtually no budget” Can you please provide the budget and staffing for the ANCP year by year since its inception?</p> <p>2. How many staff work for the ANCP full time?</p> <p>3. Has additional budget been allocated to the ANCP either within Treasury or DFAT in line with the recommendation of the Independent Review?</p>	Foreign Investment Division	Written



112	8	Ketter	Australian OECD National Contact Point – responding to the Independent Review	<p>1. The Final Report of the Independent Review into the ANCP found that: “the Australian National Contact Point is falling short of fulfilling these commitments and, across a range of indicators, is ranked among the poorest performing National Contact Points internationally”</p> <p>Has the Department of Treasury published its formal response to the 2017 Independent Review? If not, why not?</p> <p>2. What steps has the Department of Treasury taken to address the findings in the Independent Review?</p> <p>3. Which recommendations of the report have been implemented other than the proposed procedural amendments published by the ANCP on 22 May 2018?</p> <p>4. How many staff at the Department of Treasury have worked or now work exclusively on the response to the Independent Review?</p> <p>5. Have any discussions or decisions been made within the Department regarding the recommendation made by the independent review to implement an independent ANCP, with an independent expert panel, secretariat, and advisory group?</p> <p>6. Have any costings been done on the implementation of this recommendation?</p> <p>7. Have you had any discussions with the Minister about the recommendations of the Independent Review?</p>	Foreign Investment Division	Written
113	9	Keneally	Consultation with Foreign Investors	<p>The Foreign Investment Review Board (FIRB) often engages with potential investors in order to “promote a better understanding of foreign investment policy and encourage active and early engagement”. What is the scope of these consultations with potential foreign investors?</p> <p>a. In what fora are these consultations held?</p> <p>i. If surveys are conducted with potential foreign investors, can the FIRB please table a copy of these survey questions?</p> <p>b. With reference to the FIRB’s most recent report, were Australia’s corporate tax settings discussed with foreign investors during these consultations?</p> <p>i. If so, were Australia’s current corporate tax settings viewed as a deterrent to foreign investment?</p> <p>ii. If not, why was this issue not raised or discussed?</p> <p>iii. Further, if the FIRB does not monitor the attitudes of foreign investors towards Australia’s corporate tax settings, which section of the Department does?</p> <p>c. Did the FIRB consult on other bureaucratic issues, such as navigating Australia’s investment framework around critical infrastructure and national security, implementing the fee framework, red tape reduction measures, residential property measures, and foreign ownership registers?</p> <p>i. If so, were these policy settings viewed as a deterrent to foreign investment?</p>	Foreign Investment Division	Written

114	1	Ian Macdonald	Foreign Investment	<p>Senator IAN MACDONALD: These questions started with: is Australia an attractive place for foreign investors? The answer was yes, and you gave us these figures. I'm curious as to how attractive Australia will be if these foreign direct investors can put their money into another country and only pay half the rate of tax that they might have to pay in Australia. Can anyone comment on that? Australia has been an attractive place, but how long will that attraction continue? I'm talking now in the corporate sector, and we don't have the figures on how much of this is corporate and how much is individuals. I'm just curious as to how attractive Australia will become if we're charging these foreign direct investors twice the tax that they would pay if they invested in the United States, France, Norway, England or anywhere practically.</p> <p>Mr Lonsdale: As Mr Brake said, the Australian tax treatment will apply to investors coming in and purchasing businesses here. The structure that's used, I think, will affect the tax treatment. Depending on what the asset is and the company, it will have different effects, so it's hard to be categorical. But, on your general point about whether we are still attractive, the view we have is, yes, very attractive. There's a pool of possible investment dollars out there, which I think you're getting to, and we've got to attract that. And tax is one element in that attractiveness. But you know, having a strong rule of law, very good infrastructure, a very highly skilled workforce, strong government rules and a whole range of things that go to who we are, our view is that will remain a point of difference.</p> <p>Senator IAN MACDONALD: Those other attractions apply to the UK, Canada and the United States. But, in addition to that, there's more attraction in those countries because they will shortly have a tax regime for corporations that is considerably less than ours. I don't want to verbal the Secretary to the Treasury, but I thought his comments this morning were along the lines that Australia would become less attractive in the future if we were charging corporate investors a rate of tax that is considerably in excess of what they would have to pay in other safe, sound, stable, well-managed countries. Perhaps you might take that on notice—</p> <p>Mr Lonsdale: Sure.</p> <p>Senator IAN MACDONALD: just to correlate with evidence that was given this morning about the impact of corporate taxation on Australia's attractiveness for investment. I appreciate that, for individuals buying a unit on the Gold Coast or something—and probably not earning much income in any case because rarely do many of these get let out—the attraction won't be impacted by corporate tax rates or any tax rates, particularly if they're one-off or 10-off small-scale investments. I'm just interested in the categories where there might be large corporate investments. Perhaps you could take on notice your prediction of future attractiveness if our tax rate is considerably more than other similarly managed economies.</p> <p>Mr Lonsdale: I'm happy to take that on notice.</p>	Corporate and International Tax Division	Tuesday 29 May
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115	1	Whish-Wilson	Foreign Investment Rules	<p>discussed, and on new dwellings is allowed. Can I get that kind of detail in the public realm? For example, in Tasmania, what is the percentage of foreign ownership of existing or new dwellings? Are we able to access that? The reason I ask this is we are not just looking at the foreign ownership rules; we are also looking at it for investment properties in Tasmania versus ownership because we have a bit of an issue with rents at the moment and a lack of availability of social housing so we're trying to put a picture together of how it all works. I don't seem to be able to find that kind of detail. Is it available?</p> <p>Mr Lonsdale: I don't know, but we're happy to take it on notice. We can talk to the Tax Office.</p> <p>Senator WHISH-WILSON: So I could get a snapshot of the various levels of public, private land, and investment in new residential versus existing. Anything would be useful.</p> <p>Mr Brake: In the annual report we certainly track applications of residential land by state, so the number of approvals by state. But if I'm hearing you correctly, what you would like to be able to do is to track that versus approvals or ownership of non-foreigners. We need to see if that is feasible.</p> <p>Mr Lonsdale: We'll check. On Mr Brake's first point, page 34 of the current annual report has a state break on residential.</p>	Foreign Investment Division	Tuesday 29 May
116	8	Patrick	Air Travel Expenses	<p>For FY 16/17:</p> <ol style="list-style-type: none"> <li>1. Please provide details of the Qantas/Virgin split for official travel in terms of: <ol style="list-style-type: none"> <li>a. Total number of tickets</li> <li>b. Total value spent for official travel?</li> </ol> </li> <li>2. In the event there is a disparity of greater than 65/35 in the split (either way), please provide a detailed reasons for the split in the context of a lowest practical fare policy.</li> <li>3. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only the Qantas Chairman's Lounge? <ol style="list-style-type: none"> <li>a. Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>4. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only Virgin's The Club? <ol style="list-style-type: none"> <li>a. Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>5. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from both the Qantas Chairman's Lounge and Virgin's The Club?</li> </ol>	IGT	Written

117	4	Williams	Uber Drivers	<p>1. If the requirement for Uber drivers to collect and remit GST commenced, irrespective of their income, from 1 August 2015 and Uber increased its prices to customers by 10% on 5 August 2015 to cover the GST payable by its partner drivers as reported in news.com.au, on what basis can the Inspector-General of Taxation assert that Uber drivers were somehow unreasonably disadvantaged by the 2017 Federal Court decision that simply upheld the Taxation Commissioner's original decision?</p> <p>2. Uber customers were being billed for the GST by Uber and Uber drivers were in turn receiving the GST from Uber. If Uber drivers chose to ignore the ATO's advice and that of their recommended tax advisers, H&amp;R Block, regarding their tax obligations is this a case of tax avoidance?</p> <p>3. The majority of the 68,000 taxi drivers in Australia do not work full-time driving taxis. The Australian Taxi Industry Association has advised that some taxi drivers may drive as little as 10-12 hours per month, and many drive only 10-12 hours per week and do so on an ad-hoc basis. If taxi drivers have had to collect and remit GST, irrespective of their income, since the inception of the GST Act, on what reasonable basis can the Inspector-General of Taxation speculate in the public media that Uber drivers should be treated differently to taxi drivers?</p> <p>4. Is the Inspector-General of Taxation proposing that a Uber driver driving 10 hours a week is deserving of some special consideration because they are somehow less capable of complying with their tax obligations than all of the taxi drivers that have been driving 10 or less hours per week?</p>	IGT	Written
118	1	Williams	ATO Compensation Scheme	<p>There has been concern about the amount of compensation the ATO pays out when it gets an assessment wrong. Australian Small Business and Family Enterprise Ombudsman Kate Carnell said the compensation process is slow, opaque and inadequate. Last year the ATO paid a median of about \$500 a case.</p> <p>When the ATO gets it wrong, businesses are destroyed.</p> <p>Given the powers of the ATO and special role it plays, should the compensation scheme be conducted by the Inspector General or some other body and with no ATO involvement?</p>	Individuals and Indirect Tax Division	Written
119	3	Ketter	Black Economy Measures – tobacco accounting delivering surplus	<p>1. In the 2018 Budget, there was an announcement about combatting illicit tobacco. Can you explain why the revenue in 2019-20 is \$3.2 billion, while the following years are less than 10% of that figure – i.e. why is the revenue so front-loaded like that?</p> <p>2. Is it reasonable to characterise the majority of that revenue as an accounting change, due to taxing tobacco 12 weeks earlier upon entry into Australia, which will boost tax receipts once and once only?</p> <p>3. Would the 2019-20 Budget be in projected surplus without this 12-week change in collecting tobacco excise?</p>	Individuals and Indirect Tax Division	Written

120	5	Ketter	Budget Repair Measures	<p>measures'. It makes reference to a breakdown there:  ... remaining budget repair measures, announced prior to the 2018-19 Budget ... is \$6.7 billion .... The net impact of budget repair measures announced prior to the 2017-18 Budget ... is now less than \$2.2 billion.  Can you give us a breakdown for those components?  Mr Brennan: I would have to take it on notice, Senator, if that's all right, and just check what we've got. It would be a combination of revenue and expenditure measures, so it would be a combination of things that we've costed and some things that Finance will have costed. But, to get the definitive list of the \$2.2 billion and the \$6.7 billion, I would have to take that on notice.  Senator KETTER: Okay. Could you also take on notice how many individual revenue measures are contained in that \$6.7 billion figure—  Mr Brennan: Yes, we can do that.  Senator KETTER: unless you know off the top of your head?  Mr Brennan: I don't, so I'll take that on notice, thanks.  Senator KETTER: Also, of the \$41 billion in budget repair measures that have been implemented since the 2016 PEFO, can you provide a table of all the individual measures making up that figure, whether they were contained in legislation or regulation, and the dollar value of the saving?  Mr Brennan: I'll take that on notice as well, Senator.  Senator KETTER: Going to page 3-7 of Budget Paper No. 1 and looking at the fiscal strategy: can you outline how many times either the medium-term fiscal strategy or the budget repair strategy has changed since the government's first budget in 2014?  Mr Brennan: That's a good question. There's been a change to the medium-term fiscal strategy in this budget, as I mentioned, which is to officially enshrine that 23.9 per cent. That's in the third dot point of the fiscal strategy. I have a recollection that there was a small amendment in the 2015-16 MYEFO, but I will have to go back and check that. They're the only two that I'm aware of, in terms of changes to either of those two strategies.  Senator KETTER: If you could take that on notice and have a look for us. Could you tell us if every single element of the medium-term fiscal strategy and the budget repair strategy has been met as a result of the decisions of the 2018 budget?</p>	Budget Policy Division	Tuesday 29 May
121	16	Ketter	Build to Rent	<p>Treasury? The Treasurer? Treasurer's office? Another Treasury portfolio minister or their office? An external source (if so, who?)?  2. Did Treasury consult with anybody on this measure prior to it being announced at 4:30pm on September 14 2017? If so, who? When did this consultation occur?  3. How many submissions were made to Treasury during the two week consultation period for the draft legislation, specifically relating to the MIT measure?  a. When will these be made public?  b. How many were supportive of the measure?  c. How many were against the measure?  4. Has further consultation by Treasury with relevant stakeholders occurred since the closing of the consultation period at the end of September 2017 to now?  a. If so, when has this occurred?  b. With whom?</p>	Individuals and Indirect Tax Division	Written

122	11	Ketter	GST on Low Value Goods	<p>estimated implementation, administration and resourcing costs:</p> <ol style="list-style-type: none"> <li>a. For the ATO</li> <li>b. For Treasury</li> <li>c. By financial year from 2016-17</li> </ol> <p>2. Have the implementation/administration/resourcing costs been revised since the 2016-17 Budget? If so, can you detail the reasons and factors that contributed to the revisions?</p> <p>3. Did the Productivity Commission review into the model of collecting GST on low value imports raise matters that led to those revisions? What were they?</p> <p>4. How many of the following businesses have registered to collect GST:</p> <ol style="list-style-type: none"> <li>a. Online vendors <ol style="list-style-type: none"> <li>i. With full registration</li> <li>ii. With limited registration</li> </ol> </li> <li>b. Redeliverer services</li> <li>c. In total</li> </ol>	Individuals and Indirect Tax Division	Written
123	6	Ketter	GST on Low Value Goods - Amazon	<ol style="list-style-type: none"> <li>1. Was Treasury, the ATO, or the Treasurer's office made aware of Amazon's decision to block Australian consumers from international sites prior to media reports on 31 May 2018? If so, when and by what means?</li> <li>2. Can you provide correspondence between the Treasurer's office and Amazon regarding the GST from the 2016 Budget to now?</li> <li>3. In a tweet by the Treasurer on May 31, he writes "As Treasurer I met with Amazon and eBay on several occasions including in Seattle with Amazon". Please provide the dates and locations of all meetings with Amazon since the 2016 Budget?</li> <li>4. Did Amazon raised the GST matter after the release of the Productivity Commission report? Did they indicate they would block Australians from 1 July 2018 from their international sites?</li> </ol>	Individuals and Indirect Tax Division	Written
124	5	Ketter	GST on sharing economy platforms	<p>1. Deliveroo and UberEATS (not Uber drivers) are examples of platforms where the service deliverer is unlikely to be registered for GST as they earn less than \$75,000. So when a consumer purchases \$20 of takeaway, 10% GST is paid on the meal. However, no GST is charged on the \$5 delivery fee. Is the ATO or Treasury aware that delivery service fees in Australia are often not attracting GST?</p> <p>2. Is Treasury or the ATO aware of situation, and the crowdfunded case against Uber, in the United Kingdom regarding these firms being structured in such a way as to avoid collecting VAT (value added tax) in that jurisdiction?</p> <p>3. Has Treasury or the ATO consulted on ways in which this loophole can be closed?</p> <p>4. Why doesn't the GST on digital services reform, which started on 1 July 2017, apply to these digital platforms?</p> <p>5. The \$75,000 threshold for GST registration was created in the early 2000's, and it's fair to say didn't foresee these type of arrangements. Do you think that the way these firms are structured, and the way in which the GST registration thresholds are used, is in line with community expectations of services provided or facilitated by multinational digital firms?</p>	Individuals and Indirect Tax Division	Written

125	1	Ketter	R&D Tax Incentive	<p>Senator KETTER: Finally, can you tell me how Australia's recently announced R&amp;D scheme compares to other global tax regimes? How many other global tax regimes have a base rate lower than or as low as four per cent?</p> <p>Ms Purvis-Smith: I can take that on notice.</p>	Individuals and Indirect Tax Division	Wednesday 30 May
126	23	Carr	R&D Tax Incentive	<p>intensity measure?</p> <ul style="list-style-type: none"> <li>- Of those companies, how many have a turnover of \$50m or less?</li> </ul> <p>2. Based on your modelling, how many companies today will be financially better off under the new measures for the non-refundable component?</p> <p>3. Please advise the following regarding the non-refundable R&amp;D Tax Incentive component:</p> <ul style="list-style-type: none"> <li>- Based on your modelling, how many businesses that currently claim the non-refundable tax offset have intensity levels exceeding 2 per cent? Please provide a breakdown per sector.</li> <li>- How many have an R&amp;D intensity rate equal to or exceeding 13.25 per cent? Please provide a breakdown per sector.</li> <li>- How many companies that claim the non-refundable component currently have an intensity of 40 per cent or more? Please provide a breakdown per sector.</li> </ul> <p>4. Please advise whether the intensity measure will be calculated on global or Australian group expenditure, what will be included in calculations of total expenditure, whether Treasury will provide any guidance around how expenditure will be calculated.</p> <p>5. How many companies that currently claim the refundable component will be impacted by the \$4 million cap? Please provide a breakdown by sector. What is the annual average taxable income from companies who claim the refundable R&amp;D Incentive?</p> <p>6. What is the estimated reduction in BERD as a consequence of these cuts?</p> <p>7. How does Australia's recently announced R&amp;D scheme compare to other global tax regimes? How many other global tax regimes have a base rate lower than – or as low as – 4 per cent?</p> <p>8. In relation to Treasury modelling on the FFF review recommendations, please advise:</p> <ul style="list-style-type: none"> <li>- What options were modelled in relation to the intensity threshold?</li> <li>- How many companies would have been impacted by a 1 per cent intensity threshold and how much extra revenue would be generated by this measure?</li> <li>- How many companies would have been impacted by a 2 per cent intensity threshold and how much extra revenue would be generated by this measure?</li> </ul> <p>9. What options were modelled in relation to the cap on the refundable component?</p> <ul style="list-style-type: none"> <li>- How many companies would have been impacted by a \$2 million cap and the amount of money this would save the Budget?</li> </ul> <p>10. What options were modelled in relation to lifting the current \$100 million cap on the non-refundable component?</p> <ul style="list-style-type: none"> <li>- How many companies would have benefited from a lift in the \$100 million cap on the non-refundable component to</li> </ul>	Individuals and Indirect Tax Division	Written

127	1	McAllister	Social Media Claims	<p>Senator McALLISTER: Thanks. Ms Mrakovcic, between 8 May and 11 May, 14 members of the Liberal Party—</p> <p>Senator Cormann: Hardworking local representatives.</p> <p>Senator McALLISTER: made public statements, either in the chamber or on their Facebook pages, about the number of electors in their electorates who they say will benefit from the government's tax packages.</p> <p>Senator Cormann: Very important public information.</p> <p>Senator McALLISTER: I assume that that information was not compiled by Treasury. Is that correct?</p> <p>Ms Mrakovcic: That's correct.</p> <p>Senator McALLISTER: Right. Minister, can you provide any insight into what basis these claims have been built on?</p> <p>Senator Cormann: I'll take on notice what the source of the information is, [...]</p>	Individuals and Indirect Tax Division	Wednesday 30 May
128	2	Leyonhjelm	Vehicle Imports and the application of the LCT	<p>Senator LEYONHJELM: [...] I understand that there is a negligible number of vehicles that are older than 30 years which are imported into Australia, but the Australian Historic Vehicle Interest Group argue that this is due to the application of the luxury car tax. They also argue that providing an exemption for historic cars would boost revenue because GST collections on additional new imports of historic cars would exceed the foregone luxury car tax on existing imports. Are you able to confirm that current imports of vehicles older than 30 years are negligible and that the associated luxury car tax collections are also negligible?</p> <p>Ms Mrakovcic: Senator, we'd have to take that on notice.</p> <p>Senator LEYONHJELM: Fine. Also probably on notice, can you outline the reasoning for vehicles imported by deductible gift recipients for public display being exempt from the tax while other historic vehicles are not? I'm happy for you to take that on notice.</p> <p>Ms Mrakovcic: We'll have to take that on notice.</p>	Individuals and Indirect Tax Division	Wednesday 30 May
129	8	Ketter	Wine Equalisation Tax	<ol style="list-style-type: none"> <li>1. Can Treasury provide an explanation for the downward revisions to revenue from the Wine Equalisation Tax over the forward estimates period and the very slow growth in WET revenue over the forward estimates period?</li> <li>2. The 2018 Budget papers reveal a 25 per cent increase in customs and excise revenue from 'other alcoholic beverages' expected in 2019-20 (+\$250m). Can the Treasury provide an explanation for this sudden jump in revenue?</li> <li>3. Is Treasury/ATO aware of cider-like products that are currently taxed under WET instead of the higher taxing alcohol excuse scheme that applies to flavoured ciders such as Rekorderlig? Does the Treasurer think that the rationale for packaging and marketing of these cider-like products is consistent with the intent of the WET, which is to impose a value based tax on wine, or is it more consistent with the taxation of products that are marketed and packaged in the same way such as Rekorderlig cider?</li> <li>4. Has Treasury undertaken an assessment into the ability of companies to 'game' the tax system by producing cheap alcohol products that may meet the technical criteria to be taxed under the low taxing WET but may mimic and directly compete with products that are taxed under the higher taxing volumetric tax?</li> <li>5. Is the ATO investigating these sorts of cider-like products? If not, why not?</li> <li>6. Has Treasury had concerns raised with it about these sorts of products? If so, when and by whom?</li> <li>7. Has Treasury been developing proposals to reform the taxation of wine to take account of the proliferation of cheap and accessible wine products?</li> </ol>	Individuals and Indirect Tax Division	Written



130	1	Moore	Announcements and Reports - Sustainable Development Goals (SDG)	Can the portfolio department with responsibility as a lead agency for particular Sustainable Development Goals(SDG), to provide information around any public speeches referring to the SDGs, any plans to include the SDG agenda in annual reports, on the department's website and in work plans for the coming year.	International Policy and Engagement Division	Written
131	1	Ketter	Legal Service Providers	<p>we can't have an aggregate figure that's being spent by the Department of the Treasury on legal service providers for the purpose of drafting legislation. I'm not going to press for disaggregated figures in terms of individual law firms or individual pieces of legislation or projects, but I see no reason why we should not be provided with the aggregate figure there, so I do insist that that figure be provided.</p> <p>Senator Cormann: We'll take it on notice and we'll see what we can provide you on notice. [...]</p> <p>Senator KETTER: Alright. I'll move on. Ms Mrakovcic, you might be more appropriate with this question. I'm looking for the genesis of the request for the outsourcing of parliamentary drafting. Did that come initially from Treasury or from the minister's office?</p> <p>Ms Mrakovcic: I'd have to take that question on notice.</p>	Law Design Office	Wednesday 30 May

132	19	Ketter	Outsourcing of Legislative Drafting	<ol style="list-style-type: none"> <li>1. Was there a cost benefit analysis of this outsourcing conducted before going ahead with the trial?</li> <li>2. Was the basis of the outsourcing pilot that there were insufficient resources in the Office of Parliamentary Counsel to undertake the drafting required by Treasury at the time?</li> <li>3. Was the trial program put out to tender or did you go to firms on the approved panel for Commonwealth legal work or to law firms who currently provide legal advice to Treasury?</li> <li>4. Which law firms are currently undertaking work in this pilot?</li> <li>5. Which Bills are these law firms working on exactly?</li> <li>6. Have the law firms engaged for the purpose of the pilot produced any legislation since the trial commenced?</li> <li>7. Do any of these law firms do work for companies or persons who will be regulated by any of the legislation being drafted?</li> <li>8. Was a conflict of interest check performed by the Treasury with respect to the prospect that law firms engaged in the pilot may also be undertaking work for persons or entities who may be regulated by the legislation or regulation being drafted?</li> <li>9. Was a conflict of interest check for the purpose set out in question 8 undertaken by any other Department, including the Attorney General's Department?</li> <li>10. Have any of the firms who are currently undertaken the work for Treasury acted for entities or persons who have given evidence before the Financial Services Royal Commission?</li> <li>11. [If they do or have] is any of the legislation drafted by or being currently produced by these law firms going to regulate the financial services industry?</li> <li>12. Has the Treasury sought the assistance of the Office of Parliamentary Counsel in the provision of templates, formal or informal training for the purpose of assisting the law firms engaged in the pilot?</li> <li>13. Have any of the Treasury Bills been sent to the Office of Parliamentary Counsel for review?</li> <li>14. [If Bills have been reviewed] have the Office of Parliamentary counsel provided advice or comment to Treasury on any errors or general inadequacies of the work undertaken by private providers of legal services?</li> <li>15. Does Treasury consider that the private providers of legal services engaged in the pilot program possess the necessary drafting expertise to draft legislation?</li> <li>16. How much to date has been invoiced to Treasury for the drafting pilot?</li> <li>17. Can Treasury break down these invoices by law firm and for each month?</li> <li>18. What would the cost to Treasury have been if the same work had been sent to the Office of Parliamentary Counsel?</li> <li>19. Is Treasury planning on continuing the outsourcing of legislative drafting to the private sector?</li> </ol>	Law Design Office	Written
133	1	Keneally	Changes in the Employment Growth rates	<ol style="list-style-type: none"> <li>1. Can the Department provide data which outlines the change in employment growth rates for both the public and private sectors individually over the last five years? <ol style="list-style-type: none"> <li>a. According to Commonwealth Bank's senior economist Gareth Aird, "aggressive recruitment of public servants drove the rapid growth in employment through 2017, with the numbers in the latter half of last year up 9.1 per cent from the previous year". Can the Department confirm the accuracy of Mr Aird's statement?</li> </ol> </li> </ol>	Macroeconomic Conditions Division	Written

134	2	Ketter	Jobs Growth Data	<p>data suggests the public sector has been putting on a new headcount at a much faster rate than the private sector?  Senator Cormann: That is actually not quite right. If you look at the 415,000 new jobs created, most of them were in the private sector and most of them were permanent jobs. So I'm not sure what data you're referencing.  Senator KENEALLY: We're referencing here a study done by the Commonwealth Bank senior economist, Gareth Aird, showing that the biggest contributors—  [...]  Senator KENEALLY: He said, first of all:  Aggressive recruitment of public servants drove the rapid growth in employment through 2017, with the numbers in the latter half of last year up 9.1 per cent from the previous year.  Also, 'The growth in federal and state public services is outstripping the private sector ... Private-sector jobs growth by contrast was just 2 per cent.' That's compared to 9.1 per cent in the public sector.  Senator KETTER: The Commonwealth Bank, as Senator Keneally has noted, has said in recent months that from an industry perspective the big lift has come in public sector employment over the past two years, with NDIS, education, construction and infrastructure.  Senator Cormann: It's interesting because we've spent quite a bit of time in the Finance estimates reflecting on the fact that the Australian government has been very successful in controlling the growth in the public sector.  In fact, not only have we been able to reduce the number of ASL across the Australian federal government to 2006-07 levels but we have for a number of years now been successful in maintaining it at 2006-07 levels. If you go to budget paper 4, there's actually a graph which will make that point very succinctly. It shows that as a proportion of the population the size of the federal government is reducing, and the overall cost of government administration as a proportion of overall government expenditure is also reducing. That's the graph on page 4 of budget paper 4.  We'll take the specific numbers on notice, but I can assure you that, overwhelmingly, most of the 415,000 new jobs that we've created were permanent jobs, and most of the 415,000 new jobs created in the economy in 2017 were private sector jobs. Of course there was also a public sector component to it. You're referencing a growth rate. In order for the growth rate to be the same across the sectors—if you look at ABS data, you'll find that just under nine out of 10 working Australians work in a private sector business. So unless nine out of 10 of the new jobs created were in a private sector business, then the growth rate in the public sector employment would be higher than in the private sector. But that doesn't take away the fact that most of the new jobs created not only are permanent jobs but are private sector jobs.  Senator KENEALLY: [...] Many of the jobs that are being created by the National Disability Insurance Scheme are not public sector jobs, per se.</p>	Macroeconomic Conditions Division	Tuesday 29 May
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135	1	Ketter	Medium-term projection methodology	<p>Senator KETTER: Perhaps, Mr Ray, you're the best person to ask this question. We've talked previously about the medium-term projection methodology. I take it that you still believe that this is the most reliable methodology for medium-term projection?</p> <p>Mr Ray: It's the old adage of 'trend is your friend'. We don't think that we can do better in terms of projecting than to project that the economy is on its equilibrium growth path or its trend growth rate.</p> <p>Senator KETTER: But in the budget papers, at page 228, it says in relation to the medium-term projection methodology, 'This is a well-established approach but it is not without drawbacks.'</p> <p>Mr Ray: True.</p> <p>Senator KETTER: Can you explain what the drawbacks are?</p> <p>Mr Ray: This is not so much about the fact that the economy is growing at its potential growth rate out into the medium and longer term. Indeed, this is how we've done Intergenerational reports for many years. This is about the question about the decision to close the output gap. So one of those questions is: over what time period would that occur?. The five years that we selected back in 2014 was based on historical experience. Does it mean that any given output gap at the end of the forecast period is going to be closed over five years? No, it doesn't mean that for sure. So one of the things that we do in the budget statement No. 8 is prevent sensitivity analysis around that particular element of the medium-term methodology.</p> <p>Senator KETTER: Would I be right in assuming that this the first budget where Treasury has explicitly mentioned that this methodology has drawbacks in this part of the budget?</p> <p>Mr Ray: I'm assuming that, because you've asked me, you've had someone check that, but I would need to go and check it. As to whether we've used the word 'drawbacks' before, I'm happy to take it on notice and check. But my recollection is that, if we go back to 2014, we've said that this is an assumption.</p> <p>Senator KETTER: You've said 'assumption', but this is the first time, I suspect, that you've specifically mentioned 'drawbacks' with the methodology.</p>	Macroeconomic Conditions Division	Tuesday 29 May
136	1	Ketter	Overseas Migration	<p>Senator KETTER: Do you have a figure for net overseas migration for 2016?</p> <p>Mr Brennan: In terms of an actual? I will take that on notice, Senator.</p> <p>Senator KETTER: Based on those figures—and I acknowledge you don't have the 2017 budget figures in front of you—there seems to be a difference in that in 2018 the trajectory is for net overseas migration to be falling as we get towards 2021; whereas in the 2017 budget, the trajectory is in the opposite direction, going from, as I said earlier, 194,058 in 2016 up to 235,000 in 2020. So can you explain what's happened?</p> <p>Mr Brennan: I don't have a definitive explanation at hand, so I'll try and find out a bit more about what's driving it. It's possible that the temporary skilled migration category could be driving a bit of that, given that there has been some tightening of eligibility in that area in the intervening period. However, there would be other trends.</p> <p>Senator KETTER: Temporary—</p> <p>Mr Brennan: Net overseas migration is driven considerably not only by the permanent intake but also what happens to various temporary parts of the program, including students, tourists and New Zealanders. They can account for significant swings in the number. We would have to go away and try and ascertain what some of the drivers were of that shift in trajectory. I can confirm the figures you were mentioning before: yes, we've got last year's budget paper 3 in front of us so it's correct.</p> <p>Senator KETTER: When you come back to us, could you also tell us what the implications for the budget papers and the parameters as a result of the change in the net overseas migration figures are?</p> <p>Mr Brennan: We can do that.</p>	Macroeconomic Conditions Division	Tuesday 29 May

137	2	Whish-Wilson	Economic Growth Forecast	<p>Senator WHISH-WILSON: A couple of questions on a different matter. Once again, congratulations for including statement 4 of budget paper number 1, for detailing the so-called balance between good debt and bad debt in the budget papers. This has been a feature of the last couple of budgets. In box 2 you've estimated the productivity gains of public infrastructure investment by drawing from economic literature, which you've quoted. And you've put forward an average multiplier of four times GDP.</p> <p>[...]</p> <p>Senator WHISH-WILSON: It's critical for your GDP forecasts. You put an average multiplier of four times GDP over the 25-year life of an asset. I'm interested because, from what I can see, that's all well and good, except that investment in non-defence infrastructure is actually in decline. I was wondering what the department used as your multiplier for defence related expenditure?</p> <p>Mr Ray: I would have to take that on notice.</p> <p>Senator WHISH-WILSON: Would the multiplier for defence related expenditure be more or less than for non-defence related expenditure?</p> <p>Mr Ray: I'll take it on notice. But as a general rule in a country such as Australia it will be less.</p> <p>[...]</p> <p>Senator WHISH-WILSON: Also, whether you're confident that the multiplier for the public investment that you've used in the statements that you've put forward is an appropriate multiplier for defence expenditure, given that that's the larger percentage of what you classify as infrastructure spending now?</p> <p>Mr Ray: Let me take it all on notice.</p> <p>Senator WHISH-WILSON: Why don't I put some questions on notice, because they're all on the same matter, about what multiplier you use and therefore how that contributes to your GDP forecast. But just to be broadbrushing it, I've checked your footnotes and the sources that you've used for putting together your multipliers. It looks to me that you've used that four times GDP multiplier for all infrastructure investment, including defence.</p> <p>Mr Ray: I don't think we've used it for defence, but I'll take it on notice.</p>	Macroeconomic Modelling and Policy Division	Tuesday 29 May
138	3	Whish-Wilson	Productivity factors of capital spending	<p>Re: Budget Paper No. 1: Statement 4: Public Investment and Productivity</p> <p>Box 2 estimates the productivity gains associated with public infrastructure investment by drawing from economic literature; and puts forward an average multiplier of 4 times GDP over the 25-year life of an asset.</p> <ol style="list-style-type: none"> <li>1. Is this multiplier inclusive or exclusive of defence spending?</li> <li>2. Would the multiplier for defence spending be more or less than for non-defence spending?</li> </ol> <p>Box 2 states that "Most studies use a broad definition of public capital that includes ... defence...".</p> <ol style="list-style-type: none"> <li>3. Are you aware that one of articles cited in Box 2, Bom &amp; Ligthat (2014), specifically excludes "military structures and equipment" from its definition of public capital?</li> </ol>	Macroeconomic Modelling and Policy Division	Written
139	1	Keneally	Four Corners: Complaints	<p>Did any minister, or ministerial staffer, raise a complaint with the ABC regarding the ATO story that featured on Four Corners in April?</p>	Office of the Secretary	Written

140	14	Ketter	Treasury Review of ATO / ATO collection, review processes	<ol style="list-style-type: none"> <li>1. Over a month ago, the Australian Tax Office was at the centre of allegations raised by a joint Fairfax Media-Four Corners investigation. Has Treasury handed the report to the Government? When?</li> <li>2. Where is the investigation up to? When will Treasury hand the report to the Government?</li> <li>3. Who has Treasury consulted with? Can you provide a list of stakeholders consulted?</li> <li>4. Were staffing levels and managerial direction considered as part of the review? What issues did Treasury find?</li> <li>5. Did Treasury investigate the impact of job losses – over 4,000 since 2013 – on collection activities at the ATO? What did Treasury find?</li> <li>6. Which area of Treasury conducted the ATO review? Was it the Corporate area?</li> <li>7. Why that section of Treasury? Wouldn't it make sense to have the matter investigated by the tax and revenue part of Treasury?</li> </ol>	Office of the Secretary	Written
141	8	Patrick	Air Travel Expenses	<p>For FY 16/17:</p> <ol style="list-style-type: none"> <li>1. Please provide details of the Qantas/Virgin split for official travel in terms of: <ol style="list-style-type: none"> <li>a. Total number of tickets</li> <li>b. Total value spent for official travel?</li> </ol> </li> <li>2. In the event there is a disparity of greater than 65/35 in the split (either way), please provide a detailed reasons for the split in the context of a lowest practical fare policy.</li> <li>3. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only the Qantas Chairman's Lounge? <ol style="list-style-type: none"> <li>a. Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>4. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only Virgin's The Club? <ol style="list-style-type: none"> <li>a. Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> </li> <li>5. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from both the Qantas Chairman's Lounge and Virgin's The Club?</li> </ol>	PC	Written
142	8	Ketter	Review into efficiency and competitiveness in the Superannuation system report	<ol style="list-style-type: none"> <li>1. What was the FTE staffing allocation for 2016-17 and 2017-18 for the Productivity Commission's three part review into efficiency and competitiveness in the superannuation system?</li> <li>2. What is the FTE staffing allocation for 2018-19 for this review?</li> <li>3. What is the amount of funding specifically allocated to communications and promotional activity during the full course of the review? Can you break down the allocations for this activity by financial year?</li> <li>4. How much has been spent on external costs related to the review, including breaking down the outsourcing of different functions and activity including, but not limited to: sourcing data, fund and member surveys, and PR &amp; communications? In addition to the costings, can you provide detail of who these contracts were with?</li> <li>5. How do the annual FTE allocations and external expenses by category set out above for the review into superannuation compare to other reviews undertaken by the Commission in recent years?</li> <li>6. According to the Productivity Commission's annual reports, inquiries completed by the Commission over the last few years have not cost more than around \$2.2 million (the most expensive inquiries since 2015-16 being those into the Workplace Relations Framework [\$2,168,000] and the Intellectual Property Arrangements [\$2,194,000]). Can you break down by financial year the actual and projected cost (inclusive of estimated overheads and staffing) of the current review into superannuation?</li> </ol>	PC	Written

143	3	Patrick	Air Travel Expenses	<p>details on expenditure on air travel across various departments. Across the whole of government, we find that the split between Qantas and Virgin is \$201 million to \$61 million. There's a huge disparity between the revenue that Qantas obtains through official travel compared to Virgin, and that seems odd in the context of a policy where fares are supposed to be selected predominantly on lowest available cost. Your department—and I must apologise. I put out a media release on this last week. The minister provided me with some incorrect numbers on the department, so the numbers I used in my release were wrong. But the quantum, in terms of the ratio, was similar. Treasury spends \$1.079 million on Qantas, or did so in 2016-17, and only \$329 million on Virgin. I'm wondering if you could explain, in the context of a policy that favours lowest available cost for airline tickets, why there would be such a disparity between the two.</p> <p>Mr Brennan: [...] Again, it would be something that we could take up with our corporate area. [...]</p> <p>Senator PATRICK: I could understand something that's a bit closer than that. Qantas do have a bigger share on some sectors, and they also have routes they fly that Virgin don't. And perhaps, in the Finance department's portfolio, an explanation may be possible through the coding that goes with any travel bookings. A code 1 in Finance's policy is lowest available fare, so, if there's only one airline that flies the route, that will always be lowest available fare. But there are a number of different other categories that may help you out.</p> <p>I would also like to know—and I have asked each department about this—how many people within Treasury have accepted an invitation from the Qantas Chairman's Lounge and/or The Club. I don't need identities in response to that, just the numbers. And, in circumstances where there is an official that only has one of those, I'd like you to provide me with their Qantas-to-Virgin ratio. Is it possible to do that on notice?</p> <p>Mr Brennan: It's possible that it's possible. It might depend on just how many individuals we're talking about. It's quite likely that we have a number of people who have memberships of both. I don't know how many people would have membership of only one. It might be down to one or two individuals.</p> <p>Senator PATRICK: Most departments have indicated actually that they only have one or two people in the category. I'm not talking about Qantas Club or the Virgin lounge; I'm talking about the Chairman's Lounge and the Club Lounge.</p> <p>Mr Brennan: Yes, I can see what can be done within both the privacy and practicality.</p> <p>Senator PATRICK: I would put to you—it's a fair enough proposition—I only want to look at this from the perspective of people who have been offered those invitations to those lounges because of their official position within Treasury. Qantas and Virgin sometimes do that for very senior people—secretaries and the like. If a person happens to be a member of one of those clubs because their husband or wife owns a billion-dollar company or something like that, that's clearly none of the Senate's business. And, indeed, I'm only after their official travel. I don't want any official to be</p>	People and Organisational Strategy Division	Tuesday 29 May
144	1	Ian Macdonald	Shaping a nation	<p>Senator IAN MACDONALD: Migration has been spoken about already this morning. I'm not asking you how you do this, because lots of other issues and other policy considerations come into play, but were the immigration intake that seems to end up in Sydney and Melbourne able to be spread around the country more equitably—and I'm not asking you how you do that; as I say, that's a complex other question—would that assist in a more even expansion of the economy across Australia, rather than just in Sydney and Melbourne?</p> <p>[...]</p> <p>Senator IAN MACDONALD: [...] Could you give me on notice the reference to that paper that you and Mr Pezzullo did?</p> <p>Mr Fraser: Yes. [...]</p>	Office of the Secretary	Tuesday 29 May

145	4	Rice	Implementation of the Aust Government Guidelines on the Recognition of Sex & Gender	<p>Guidelines on the Recognition of Sex and Gender. The guidelines were meant to be implemented by 2016, supporting gender-diverse, intersex and transgender people in documents, forms and databases as well through respectful relationships. So I'm wanting to know what steps the department has taken to implement the guidelines?</p> <p>Mr Flavel: By way of example, our HR system allows the opportunity for people to identify as X, for instance, and indeed, in all our recruitment modules, if you like, at the moment, that option is also available. I suspect that, more generally, the guidelines have been implemented in a number of different ways and I'd have to take that on notice if you want a more specific detail.</p> <p>Senator RICE: If you could take that on notice, that would be good. Do you know what training has been provided to staff, including senior management, in terms of the implementation of the guidelines?</p> <p>Mr Flavel: Again, I might need to take that on notice. My understanding is the guidelines were implemented in 2013.</p> <p>Senator RICE: That's when they were first brought in, and they were meant to be fully implemented by 2016.</p> <p>Mr Flavel: That's right. Across that period, there may well have been various training activities for staff. It's probably better, given the length of time between that implementation and now, if I take that on notice.</p> <p>Senator RICE: Beyond the HR system and your staff, how about external-facing things that Treasury may do? Do you have external-facing operations? Interactions with the public?</p> <p>Mr Flavel: At Treasury, we do do a lot of stakeholder consultation, which, indeed, the secretary was referring to earlier, but we're not running programs or necessarily having a large external-facing—in terms of the traditional definition of, you know, the public or customers if you like. We're a relatively small department, so the implementation of all these policies takes into account the fact that it's got to be, you know, designed to take into account the relative size of the department and the nature of our activities.</p> <p>Senator RICE: Okay. Maybe you could take on notice how the guidelines have been implemented in those instances where there are external-facing operations that the department undertakes—for example, making sure that databases and forms that people have to fill in have the opportunity for noting an indeterminate gender.</p> <p>Mr Flavel: As I said, and I know we've covered it already, with our recruitment where we do have very large numbers of applications—our graduate program, for instance, where we have well over a thousand applications—that capacity is already built into our databases and our ways of capturing recruitment, and indeed within our HR system.</p> <p>Senator RICE: That's good to hear. There are agencies that fall within the department. Have you got particular agencies that also should have implemented the guidelines?</p> <p>Mr Flavel: There are a number of agencies in the portfolio, including very large ones like the tax office. If you have questions about how they've implemented them they're actually better directed through this committee. All of them</p>	People and Organisational Strategy Division	Tuesday 29 May
146	4	Ketter	Response to ANAO Audit – Corporate Planning in the Australian Public Sector 2017-18	<p>he ANAO recently released a report on Corporate Planning in the Australian Public Sector 2017-18, which looked at four entities including Treasury.</p> <ol style="list-style-type: none"> <li>1. The report made four recommendations, of which Treasury disagreed with three of them. Can you explain the rationale for rejecting those three recommendations?</li> <li>2. In the response to the Auditor-General, the Secretary said 'in an environment where we have multiple Ministers to serve and where priorities change rapidly, the Corporate Plan cannot be an "operational manual". Oh, that life would be that simple!' Who drafted the 'Oh, that life would be that simple' line? Are you aware of other Commonwealth entities or departments that have a similar attitude to the Treasury or the Secretary of the Treasury?</li> <li>3. Was the Treasurer's office advised of this response to the Auditor-General?</li> </ol>	People and Organisational Strategy Division	Written



147	5	Ketter	Treasury staff outside of Canberra	<p>1. How many staff are there in the Sydney, Melbourne and Perth offices?</p> <ul style="list-style-type: none"> <li>• Can you provide a breakdown of these staff members by classification?</li> </ul> <p>2. How many staff are there at each of the overseas posts, I understand there are seven of them? And can you provide a breakdown of these staff members by classification?</p> <p>3. How many staff are there at the overseas operations, and can you provide a breakdown of these staff members by classification?</p>	People and Organisational Strategy Division	Written
148	8	Patrick	Air Travel Expenses	<p>For FY 16/17:</p> <p>1. Please provide details of the Qantas/Virgin split for official travel in terms of:</p> <ol style="list-style-type: none"> <li>Total number of tickets</li> <li>Total value spent for official travel?</li> </ol> <p>2. In the event there is a disparity of greater than 65/35 in the split (either way), please provide a detailed reasons for the split in the context of a lowest practical fare policy.</p> <p>3. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only the Qantas Chairman's Lounge?</p> <ol style="list-style-type: none"> <li>Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> <p>4. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from only Virgin's The Club?</p> <ol style="list-style-type: none"> <li>Could you please provide a breakdown of the travel for each of those individuals between Qantas and Virgin?</li> </ol> <p>5. How many people in your organisation have been invited to (on the basis of their official position), and accepted, memberships from both the Qantas Chairman's Lounge and Virgin's The Club?</p>	RAM	Written

149	2	McAllister	Concessional superannuation contribution measures	<p>capacity to roll over the concessional contributions. The Grattan Institute has done analysis recently which suggests, it says:  'Allowing taxpayers to carry forward unused caps will mainly help wealthier men.'  We talked before about how there was no gender analysis done by Treasury on whether or not the measure would help men or women. I'm just wondering whether there's any response to that analysis undertaken by Grattan.  Mr Jeremenko: I would just say that the policy, obviously, applies across the board, so there is no suggestion that the catch-up concession is not equally available to women as it is to men. But people obviously have to be in the financial position to be able to do it.  Senator McALLISTER: They do. The median balance for women at retirement average is sub \$100,000. That's correct? It's okay. I think we can agree that the average balance is in the order of \$150,000, and the median balance is probably sub \$100,000. It's not very much. I'm just curious about why it is that the government persists in publicly representing this as a measure that will assist women when we've got no analysis undertaken by Treasury that supports that, but there is other analysis in the public domain that suggests that, in fact, it's a measure that will benefit high-income men. It might be one for the minister to explain, actually.  Senator Cormann: You've asked the question to Treasury. It's obviously not in my portfolio, so I'll see if Mr Jeremenko can add to it for you. Otherwise, I'll take it on notice.  Mr Jeremenko: I will just be repeating what I said a moment ago, Senator: that there will be women who will be able to utilise the catch-up concessional contributions, and that it's something that the government and the Treasury were lobbied for over a number of years, by superannuation representative bodies, to change the law to allow the utilisation of the unused concessional caps.  Senator McALLISTER: Which bodies made representations around this?  Mr Jeremenko: I will hazard a guess, but I will take it on notice, because it goes back a couple of years. I understand that ASFA was one of those organisations. But I will confirm that on notice, because that's going from memory.  [...]  Senator McALLISTER: Can you point to me any economic analysis undertaken by Treasury that examines the impact of budget measures, or any other economic measure on women? Minister?  Senator Cormann: That's not a question for me. That's a question for Treasury. If you ask about Treasury analysis, that is self-evidently a question for Treasury.  Senator McALLISTER: You're representing the Treasurer.  Mr Brennan: It's true that there is a range of policy initiatives where it's not necessarily routine for us to undertake a</p>	Retirement Income Policy Division	Tuesday 29 May
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150	3	Ketter	Insurance and Superannuation	<p>Senator KETTER: I want to come back to superannuation and specifically the measures in respect of changes to insurance and superannuation. Firstly, the recent Parliamentary Joint Committee on Corporations and Financial Services inquiry into life insurance did not recommend moving to opt-in arrangements for members with low balances, of less than \$6,000, or members whose accounts had not received a contribution in 13 months. Is that correct? Are you aware of that?</p> <p>Mr Jeremenko: That sounds correct to me. [...]</p> <p>Senator KETTER: Has any review that you're aware of recommended this change?</p> <p>Mr Jeremenko: Not that I'm aware of, but I would have to take that on notice. [...]</p> <p>Senator KETTER: Let's go to the third aspect, which is the reuniting of the accounts. Can you tell us what the budget impact of that change is?</p> <p>Mr Jeremenko: I'll have to take that on notice. As I said earlier, those three measures in the budget measure are included together to give \$166.6 million over the forwards—that's the capping of passive fees, the banning of exit fees and then the reuniting. But we can take that on notice in terms of the breakdown. [...]</p> <p>Senator KETTER: How many accounts does Treasury estimate that the ATO will reunite with members, compared to what it was doing before this measure?</p> <p>Mr Beckett: We might have to take this on notice. I've got a dollar value, and I've got three million individuals. In 2019-20, I've got \$5.9 billion reunited to three million individuals.</p> <p>Senator KETTER: Perhaps just a comparison by the ATO—how that compares with what's happened previously.</p> <p>Mr Jeremenko: We will take that on notice. [...]</p>	Retirement Income Policy Division	Tuesday 29 May
151	1	Hume	Opt-in Insurance for your Superfund	<p>CHAIR: I might follow up with a couple of questions on that superannuation issue. Obviously they're quite timely considering the Productivity Commission released its report today saying that a third of all accounts in the system are multiple accounts, and they are eroding members' balances by \$2.6 billion a year—which is quite extraordinary. [...]</p> <p>CHAIR: Sorry, I didn't mean to put you on the spot. I know cameos are a little difficult and I've been a little bit specific there. I should point out that the issue of opt-out insurance is exactly that. If I'm under 25 and I still want to have life insurance, or TPD insurance, in my superannuation I'm perfectly entitled to that. Is that correct?</p> <p>Mr Jeremenko: Sorry?</p> <p>CHAIR: Sorry, I should have said opt-out insurance is exactly that. If I'm under 25 and I want to have life insurance or TPD insurance within my superannuation I can?</p> <p>Mr Brennan: Yes, you can still have it. It's a just requirement. We're just postponing the opt-in part until someone reaches 25 and has \$6,000. We might be able to take it on notice—there were cameos in the Productivity Commission report as well.</p>	Retirement Income Policy Division	Tuesday 29 May

152	1	Ketter	Protecting Your Super' measures	<p>Senator KETTER: What is the budget impact of the decision for each year over the forward estimates for the transfer to the ATO of all inactive superannuation accounts where the balances are below \$6,000?</p> <p>Mr Beckett: My recollection is that, as my colleague Mr Jeremenko said, in fiscal terms it's—</p> <p>Mr Jeremenko: The same figure I gave earlier, 166. Those three measures are listed as the one—the capping passive fees, banning exit fees and the reuniting. So, over the forward estimates, it's \$166.6 million.</p> <p>Senator KETTER: My question was for each year over the forward estimates.</p> <p>Mr Beckett: That's the entire—</p> <p>Mr Jeremenko: We can give you each year, but that is for the entire—those three measures, if you like, of Protecting Your Super. I don't have that in front of me. I can take it on notice.</p> <p>Senator KETTER: Thank you.</p>	Retirement Income Policy Division	Tuesday 29 May
153	1	Ketter	Regulatory Reform Fee	<p>Senator KETTER: I note that Colonial First State has advised its members that they will be charged a regulatory reform fee of \$102.50 in June 2018, which it may also charge in future years. Would this fee be counted as a passive fee?</p> <p>Mr Beckett: I'll have to have a look at the Colonial First State documentation.</p> <p>Senator KETTER: You can take that on notice for me?</p> <p>Mr Beckett: Yes.</p>	Retirement Income Policy Division	Tuesday 29 May

154	6	Ketter	Superannuation Guarantee Amnesty	<p>with that. [...] Senator KETTER: You gave a figure for the increase in revenue. Can you break that down between the superannuation tax and the tax deduction elements? You might want to take that on notice. Mr Jeremenko: I will have to take that on notice. I don't have a handy ready-reckoner in front of me. Mr Jeremenko: Yes. The one that springs to mind is, as the tax office called it, Project DO IT—'disclose offshore income today'. Senator KETTER: When was that? Senator Cormann: That sounds like something of the Howard government. Mr Jeremenko: It was a number of years ago. I can't exactly recall. I'm harking back to my time in a different part of the tax system, but we can take that on notice. Senator McALLISTER: And also who came up with the acronym! Mr Jeremenko: We'll see what we can find out. [...] Senator KETTER: What would be the risks of a tax amnesty? Mr Jeremenko: The first risk that comes to mind is that 50,000 people will miss out on \$4,400 each. Senator KETTER: I'm just talking generally. If we had an amnesty in relation to other tax measures, what are the risks that would be associated with a tax amnesty? [...] Senator KETTER: Are you not able to tell me if there are any risks associated with having a— Senator Cormann: You mean in general? Senator KETTER: In general, in terms of tax. Senator Cormann: Let's take it on notice and see what we might be able to assist you with. [...] Senator KETTER: Has any review ever recommended a superannuation guarantee amnesty? Mr Jeremenko: We have to take that on notice, Senator; I'm not aware. [...] Senator KETTER: Is this a proposal that was first raised with the Treasury either by the minister or business stakeholders? Mr Jeremenko: We take soundings as a regular course of our day to day with industry, business and consumer representatives. I would have to take on notice as to exactly when it first came up, if I could summarise your question. [...] Senator KETTER: Are there any business groups supporting the amnesty proposal?</p>	Retirement Income Policy Division	Tuesday 29 May
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155	1	Cameron	Divestment Strategy	<p>to housing capacity after this open-market process?</p> <p>Ms Wilkinson: That's a process that's being run by the Department of Finance. I think they're currently mapping out the process and contemplating how the divestment might take place and what conditions might apply to the land that's divested.</p> <p>[...]</p> <p>Senator CAMERON: [...] Is there, anywhere in the budget income area, an estimate of the return you're going to achieve on Maribyrnong and the Queensland land?</p> <p>Ms Wilkinson: Not to my knowledge, but, again, we can take that on notice.</p> <p>[...]</p> <p>Senator CAMERON: Ms Wilkinson, could you provide me details of what aspect of housing is dealt with by Finance, by Fiscal Group, by Social Services—where else is it? It's spread across a number—</p> <p>Ms Wilkinson: It is spread.</p> <p>[...]</p> <p>Senator CAMERON: Could I ask you to provide that to me? I don't mean that you have to deal with other portfolio agencies, but I'd really like to be able to understand exactly what area I go to so that I don't come here and take up any unnecessary time and so that I can plan where I need to go and what I need to do.</p> <p>Ms Wilkinson: Yes, we can certainly do that.</p> <p>[...]</p> <p>Senator Cormann: It is not meaningless. It is hard work in pursuit of an outcome. I will check with the minister to see whether there's any update that I can provide you with from his perspective.</p> <p>[...]</p> <p>Senator CAMERON: Is there a copy of the multilateral agreement available?</p> <p>Ms Carew: I don't believe one is publicly available yet, but it will be imminently be on the FFR website, now it's been signed by the Commonwealth and one jurisdiction.</p> <p>Senator CAMERON: Before it comes on the website, could I ask you for a copy as soon as practicable?</p> <p>Ms Carew: Yes.</p> <p>Mr Brennan: Yes, we can do that.</p> <p>[...]</p> <p>Senator CAMERON: Going back to this issue of Maribyrnong and Birkdale, that's your land. You could make it compulsory that there's inclusionary zoning in the sale of this government land. That could be part of the deal for the</p>	Social Policy Division	Tuesday 29 May
156	1	Brown	National Injury and Insurance Scheme (NIIS)	<p>Is it the Government's policy to continue with the establishment of a National Injury and Insurance Scheme?</p>	Social Policy Division	Written

157	1	Ketter	OECD Comparisons: Tax-to-GDP ratios	<p>Senator KETTER: When it comes to OECD comparisons, Mr Brennan, do you agree that Australia is shown to be a low-taxing economy?</p> <p>Mr Brennan: I would have to check the league tables, looking at Australia relative to OECD peers. Of course with our federal structure you would have to take into account both Commonwealth and state taxes. Taking into account both, our tax-to-GDP ratio is closer to 30 per cent, from memory. I would have to check. It probably puts us a bit below the median.</p> <p>Senator KETTER: Surely, given all of the talk about Australia's performance against the rest of the world, this is an issue that you've looked at.</p> <p>Mr Brennan: I'll take it on notice as to exactly where we sit in the OECD.</p> <p>Senator Cormann: Bearing in mind all of the other levels of government, of course, that also impose a tax burden.</p> <p>Senator KETTER: Would you agree that Australia is generally at the lower end of the table?</p> <p>Mr Brennan: I'll just check on the precise details of where we sit.</p> <p>Senator KETTER: Can you point to any other OECD country that formally caps tax to GDP?</p> <p>Mr Brennan: I'm not aware. But, again, I'll take that on notice. Although this manifestation of the tax-to-GDP cap is a new element in the fiscal strategy this year, it has been a practice in the past as well. Elements of fiscal strategies by governments over the years have included it.</p>	Social Policy Division	Tuesday 29 May
158	1	Watt	Sale of Federal Government Owned Land at Birkdale-Capalaba	<p>1. With reference to the sale of Federal Government owned land in Birkdale and in light of reports the Queensland State Government has put any potential developer on notice that it will take all necessary actions to prevent the development of this site for residential purposes, will the Minister guarantee the site will not be sold to private developers? Noting the Assistant Minister Michael Sukkar has described the budget paper references as "sloppy", would the Minister please advise whether the characterisation of the Budget Measure as increasing the supply of land for housing was correct? Have negotiations with private developers taken place? Does the government rule out future negotiations with private developers? Is the government still committed to divest the land in 2019-2020 as reported? Who are negotiations taking place with and what is the status of those negotiations?</p>	Social Policy Division	Written
159	2	Ketter	Whistleblower expert panel	<p>Senator KETTER: Okay. Thank you. I just want to move on to the issue of the whistleblower expert panel. [...]</p> <p>Senator KETTER: Do you expect that the panel will present a unanimous set of recommendations?</p> <p>Ms Williamson: The panel's views were provided to the minister already. I think those views represented the views of the panel.</p> <p>Senator KETTER: When were they provided to the minister?</p> <p>Ms Williamson: I'm afraid I don't have the specific date on me. I'd have to take that on notice.</p> <p>Senator KETTER: Have any minutes of the meetings of the expert panel been taken?</p> <p>Ms Williamson: No, not to my knowledge, but I'm happy to check that, take it on notice and get back to you.</p> <p>Senator McGrath: I should also note that there is legislation currently before the Senate, the Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill 2017, if that will assist the committee and the senator.</p>	Consumer and Corporations Policy Division	Tuesday 29 May

160	2	McAllister	Women's Economic Statement	<p>Senator McALLISTER: What role is Treasury going to play in the production of the Minister for Women's economic statement that is due in September? [...]</p> <p>Senator McALLISTER: When was Treasury first informed that a statement of this kind was going to be produced?</p> <p>Senator Cormann: That goes to the budget process. We'll take on notice the specific date. That's part of the budget process.</p> <p>Senator McALLISTER: Is it intended that the statement will track indicators of women's economic progress? Or is it a compilation of government policies and announcements?</p> <p>Senator Cormann: The statement will be released when the statement has been finalised. [...] [...]</p> <p>Senator McALLISTER: Separately, have you been consulted by the Office for Women about the release of the next workforce participation strategy implementation plan? It's due in July.</p> <p>Mr Brennan: I'm not aware, Senator, I might just check with others—</p> <p>Ms Wilkinson: I'm not aware that we have been, but we can take that on notice. I can't say definitively we haven't. But I'm not aware that we have.</p>	Social Policy Division	Tuesday 29 May
161	1	Ketter	ACCC's powers	<p>Senator KETTER: I have some more questions. Has the Structural Reform Group been tasked with doing any work on the ACCC's powers, particularly on whether they need to be strengthened to prevent the closure of the Liddell power station?</p> <p>Ms Quinn: We've not looked at anything relating to the ACCC's powers in relation to the energy market, no.</p> <p>Senator KETTER: Have you been tasked with doing any modelling on the Liddell power station?</p> <p>Ms Quinn: We haven't been tasked to do any economic modelling on the analysis of Liddell, no.</p> <p>Senator KETTER: Have you been tasked with assessing an option for the government to purchase the Liddell power station?</p> <p>Ms Quinn: We have provided general advice to the government in relation to the electricity sector, including the role that Liddell has, its cost structure and how it interacts with other parties, so we have provided advice on those aspects of the energy market.</p> <p>Senator KETTER: Who requested that advice?</p> <p>Ms Quinn: In some sense, we provided it off our own bat as part of our monitoring of what's happening in parts of the system.</p> <p>Senator KETTER: When did you provide that advice?</p> <p>Ms Quinn: I would have to take that on notice. At different stages we provide updates on what's happening in the electricity sector. We do this on a fairly regular basis, depending on what's happening. As part of the regular updates we would comment on any significant events or discussions that were happening in relation to the electricity sector, of which there's been quite a lot. I'm happy to take on notice particular references to Liddell.</p>	Structural Reform Group	Tuesday 29 May



162	1	Keneally	Cabinet Consideration: Great Barrier Reef Foundation	<p>Senator KENEALLY: Did cabinet consider the \$440 million grant to the Great Barrier Reef Foundation specifically?</p> <p>Senator Cormann: I will take on notice the date in which the cabinet specifically considered this measure. Ultimately, every budget measure goes through the cabinet process. As to the precise timing, I would have to take that on notice.</p> <p>Senator KENEALLY: Is Treasury aware of whether the government conducted an assessment of the Great Barrier Reef Foundation's capacity to deliver this quantum of funding?</p> <p>Senator Cormann: These are questions that were asked in the finance estimates and I took on notice in those estimates.</p> <p>Senator KENEALLY: In environment estimates Minister Birmingham said the government had conducted due diligence on the Great Barrier Reef Foundation.</p> <p>Senator Cormann: That is of course the appropriate portfolio for these detailed questions to be asked, in relation to the Environment and Energy portfolio, but if you want to ask a question in the Treasury portfolio in relation to a non-Treasury agency—</p> <p>Pg 53</p> <p>Senator KENEALLY: I did ask them if they are aware of whether the government conducted due diligence on the Great Barrier Reef Foundation.</p> <p>Senator Cormann: I will take that on notice.</p>	Structural Reform Group	Tuesday 29 May
163	2	McAllister	Climate Change review	<p>Senator McALLISTER: As part of the whole-of-government climate change review, did you undertake economic analysis as a contribution to that process?</p> <p>Ms Quinn: The short answer is no.</p> <p>Senator McALLISTER: So we don't know whether this particular constellation of policies is the most economically efficient way to reduce emissions in the economy? There's no advice to government that underpins that from a modelling perspective?</p> <p>Ms Quinn: I'm happy to take it on notice and refer it to the department of the environment, which has policy authority on this matter.</p>	Structural Reform Group	Tuesday 29 May

164	1	Whish-Wilson	Gorgon Gas Project	<p>Senator WHISH-WILSON: I have a couple of different questions. I want to ask you a question about the Chevron project over in Western Australia. You may be aware they have been unable to store 80 per cent of their CO2 emissions from their LNG processing for the Gorgon gas project, as required under their licence conditions. You've listed an indemnity in your statement of risks in this budget of 2018-19. The Commonwealth has indemnified the project via the Western Australia government. What is the status of the long-term liability for the Gorgon LNG CO2 storage project? It's under Budget Paper No. 1, statement 9, statement of risks, table 2.</p> <p>Mr Brennan: I apologise, it's something that we should take on notice and find the most appropriate forum in which, or person, to answer it—whether it's most likely going to be the relevant line agency, which could be environment and energy department. If I can check on that.</p> <p>Senator WHISH-WILSON: If you can take it on notice. But to give you a bit of background you could also get it off Hansard. I want to know what the status of the long-term liability for the Gorgon LNG CO2 project was. And was the status of this contingent liability adjusted in the 2018-19 budget, given the announcement a few months ago that they failed to meet their licence conditions?</p> <p>Are you aware of recent disclosure by the Western Australia government that Gorgon had failed to store their CO2 emissions? Has the WA government or Gorgon provided Treasury with an update of the project? Have you received advice that the CO2 storage project is likely to be successful? Will you consider readjusting your statement of risks based on that information? If you could take that on notice that would be very useful.</p> <p>Mr Brennan: We will. I've found the reference to which you're referring. It's on page 9-8. It's listed as a contingent liability under the industry, innovation and science portfolio. It's likely that they're the appropriate department to which to address most of those questions, but we can effectively pose them on your behalf, with the exception of what they've informed Treasury of.</p> <p>Senator WHISH-WILSON: If you could, and I'll put some questions to them on Thursday. Perhaps if you can additionally take on notice, have you had any correspondence with them about this? Were you even aware that there had been a public announcement? I think the West Australian government EPA is putting out a statement on this very soon, as to whether they believe that Chevron will be able to capture that and store that CO2 as required under their licence conditions.</p> <p>Mr Brennan: Alright.</p>	Structural Reform Group	Tuesday 29 May
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165	1	Keneally	Grant Allocation: Great Barrier Reef Foundation	<p>Senator KENEALLY: Let me ask this, then: was additional money provided to the Department of the Environment and Energy to make this announcement, or was this funding that they had available to them within their current budget year allocation?</p> <p>Senator Cormann: If you look at the budget measure description, you can see that the government decided to make an additional allocation in the 2017-18 financial year. That is very openly and transparently made clear. You can see that in the 2017-18 financial year, \$443.8 million in additional funding was made available. That is the net effect of this particular measure.</p> <p>Senator KENEALLY: So \$443.8 million? I presume that's the money that—</p> <p>Senator Cormann: If you go to page 98 of budget paper 2, it's published there.</p> <p>Senator KENEALLY: Thank you, Minister. That's the point of budget estimates to ask questions about the budget.</p> <p>Senator Cormann: Yes, it's published.</p> <p>Senator KENEALLY: Let's keep doing it. We're having a good time, aren't we?</p> <p>Senator Cormann: I'm happy to read the budget papers for you, too, if you want.</p> <p>Senator KENEALLY: You tabled them for me last time, Minister. That was lovely.</p> <p>Senator Cormann: I'm happy to do it again.</p> <p>Senator KENEALLY: \$443.8 million—I presume that is the funding that was given to the Great Barrier Reef Foundation, because that seems to track exactly to the amount announced for the Great Barrier Reef Foundation.</p> <p>Senator Cormann: In terms of the specifics and whether it is 100 per cent of that amount, if you want to ask me a question that goes to the Environment and Energy portfolio, I would have to take that on notice. Overwhelmingly that is what this would be for, but whether 100 per cent of that amount is going there is something that I have to take on notice.</p>	Structural Reform Group	Tuesday 29 May
166	8	Keneally	Great Barrier Reef Foundation	<p>Did the Treasury review the measure to grant \$444mil to the Great Barrier Reef Foundation?</p> <p>a. On what date did the Department consider this measure?</p> <p>b. On what date did Cabinet consider this measure?</p> <p>c. Did any member of the Department or Cabinet receive a request or proposal from any member of the Great Barrier Reef Foundation for this funding?</p> <p>d. Is the Department aware of whether appropriate due diligence was conducted when deciding to grant these funds to the Great Barrier Reef Foundation?</p> <p>i. If so, what was this due diligence?</p> <p>ii. If not, why did the Treasury agree to this measure without appropriate due diligence having been conducted?</p> <p>e. Why was this funding given in a single lump sum, despite testimony from the Department of Environment and Energy that the funding would be used on projects over a six year period?</p>	Structural Reform Group	Written

167	1	Ian Macdonald & Ketter	Remote areas cost of living	<p>Senator IAN MACDONALD: Townsville and Darwin do have lots of services, and perhaps the cost of living isn't quite as high there, but it certainly is in Jabiru. Just to buy petrol, buy food or buy some cornflakes—it's naturally more expensive, because cornflakes have to come from Melbourne up to Jabiru, and someone has to pay for that. Has anyone ever done any work on what the additional cost of living is in remote parts of Australia—since 1947, that is?</p> <p>Ms Quinn: I'm sure that there has been, but I'm not personally aware. I'm happy to take it on notice and provide you with what information we have within the team.</p> <p>Senator IAN MACDONALD: I hate to promote a Labor Prime Minister, but there was a Labor Prime Minister in 1947 who recognised that the cost of living in remote parts of Australia was much higher than it was in other parts of Australia. To his great credit, he did something about it. No-one since has had much of an appetite to do anything about it. I was wondering whether your reform group was one that might be looking at the cost of living—for a very small number of Australians, I might say; not even a voting bloc, unfortunately. It seems to me to be simply unfair that the costs of living in some parts of Australia aren't experienced in most parts of Australia. Is that something that the Structural Reform Group might look at?</p> <p>Ms Quinn: We're not currently exploring that avenue, but I'm happy to take it on notice.</p> <p>[...]</p> <p>Senator KETTER: To follow on from Senator Macdonald's line of questioning: are there any other remote areas of Queensland that you visited as part of your engagement—apart from Townsville?</p> <p>Ms Quinn: I haven't got it in a list. I'm happy to take that on notice. I haven't got it listed currently as more recent endeavours.</p>	Structural Reform Group	Tuesday 29 May
168	1	Ketter	Space Coordination Committee	<p>Senator KETTER: Can you tell me what your involvement is with the space coordination committee?</p> <p>Ms Quinn: I'm happy to take that one on notice.</p>	Structural Reform Group	Tuesday 29 May
169	1	Ketter	SRG Plan of Work	<p>Senator KETTER: In between now and the next estimates in October, which projects are planning to complete before then?</p> <p>Ms Quinn: The food and grocery review is expected to be completed by then, and, I think, that's about it. They will all move forward. The asset recycling is not scheduled for final completion until next year, but we will be looking at a review of various elements of that as required as part of the project agreement. But all the rest will be ongoing. They will move to different milestones within the project plans.</p> <p>Senator KETTER: That is what I'd be interested in. If there are other key dates or milestones for the other projects between now and the next estimates, can provide those to us?</p> <p>Ms Quinn: Happy to take those on notice.</p>	Structural Reform Group	Tuesday 29 May
170	4	Chisholm	Sugar Code of Conduct	<p>Both the Queensland Productivity Commission and the Federal Productivity Commission have both concluded that the Sugar Code of Conduct is undesirable, counterproductive and unnecessary.</p> <ol style="list-style-type: none"> <li>1. Has the Treasury conducted a Regulatory Impact Statement (RIS) or assessment cost?</li> <li>2. If yes, what was the outcome of the RIS? And can the Treasury table the RIS?</li> <li>3. If Treasury has concluded the Sugar Code of Conduct is not undesirable, counterproductive and unnecessary can the treasury please explain why their results differ from both the Queensland and Federal productivity Commission's findings?</li> <li>4. If Treasury has concluded the Sugar Code of Conduct is undesirable, counterproductive and unnecessary why was the Code implemented?</li> </ol>	Structural Reform Group	Written

171	1	McAllister	Cost Labor Policies	<p>answer.</p> <p>Ms Mrakovcic: As I've indicated in evidence to the Senate committee before, Treasury will cost policies with specifications put to us by the government.</p> <p>Senator McALLISTER: My specific question is, have you been asked to cost the Labor policy which goes to an increase to the low- and middle-income tax offset?</p> <p>Senator Cormann: The officer has answered that question to the best of her ability today and yesterday. The government, from time to time, will ask Treasury to cost various policy options.</p> <p>Senator McALLISTER: And have they costed this one?</p> <p>Ms Mrakovcic: We've costed a variety of policy options in relation to—</p> <p>Senator Cormann: I take on notice to see whether we can add to that.</p> <p>Ms Mrakovcic: I really will take it on notice.</p>	Tax Analysis Division	Wednesday 30 May
172	6	Smith	GST Policy and Administrative Subgroup	<p>1) what is the membership of the GST Policy and Administrative Subgroup?</p> <p>2) What principles or rules govern decision making of the GST Policy and Administrative Subgroup?</p> <p>3) How many times did the GST Policy and Administrative Subgroup meet in 2016/2017 and 2017/2018?</p> <p>4) What matters/issues were discussed at each of the GST Policy and Administrative Subgroup meetings identified above?</p> <p>5) What decisions did the GST Policy and Administrative Subgroup committee make for each of the matters/issues identified?</p> <p>6) How are decisions/outcomes made by the GST Policy and Administrative Subgroup communicated?</p>	Tax Analysis Division	Written

173	4	Keneally & McAllister	Income Tax Cuts Analysis	<p>Senator McALLISTER: Can I direct some questions to Revenue Group? I refer to the story on the front page of The Australian today around income tax cuts. Some of that story obviously relates to the material that was provided yesterday by the secretary in his opening remarks, but there is additional analysis which is described as 'government's analysis of the competing tax policies'. Is this analysis from Treasury? [...]</p> <p>Senator Cormann: I've got a document that I'm happy to table for you which explains where these numbers are from. As long as I can get the copy back, because I've only got one copy, I can table it. That way we can talk about the same information. [...]</p> <p>Senator McALLISTER: Yes, I think that would be useful. Ms Mrakovcic, have you seen the front page of The Australian today? [...]</p> <p>Senator KENEALLY: Given that there's a story on the front page about economic analysis of ATO data, apparently about Labor policies, we're trying to understand the familiarity the ATO might have of the provenance of that analysis. So it is of interest to us, Minister, as to whether today the ATO is aware of what's on the front page. [...]</p> <p>Senator McALLISTER: Thanks, Minister, for tabling this information. Ms Mrakovcic, is this analysis a Treasury analysis? Ms Mrakovcic: I'm unable to answer that question at this point. Senator Cormann: We'll take it on notice. Ms Mrakovcic: I'm happy to take it on notice. [...]</p> <p>Senator KENEALLY: Who compiled this table, Minister? Senator Cormann: I'll have to take on notice who specifically compiled that table. [...]</p> <p>Senator KETTER: We'd like to know where it's come from. Senator McALLISTER: There are a range of relevant questions, Minister. One of them is whether or not it's accurate— [...]</p> <p>Senator McALLISTER: but the other one is whether or not Treasury is involved in the production of this information, [...] [...]</p> <p>Senator McALLISTER: Who did submit it?</p>	Tax Analysis Division	Wednesday 30 May
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174	4	Stoker & Leyonhjelm	Income Tax paid by those in the top and lower marginal tax brackets	<p>Senator STOKER: Mr Jordan, I'd like to ask some questions to paint a bit of a picture of the landscape of who is paying tax in this country. What proportion of income tax is paid by those people who are on the top marginal tax rate? How much is that in dollar terms?</p> <p>[...]</p> <p>Senator STOKER: [...] Can we now think about people who are on the lower marginal income tax rates. What percentage of taxpayers do they make up? How much tax do they pay in dollar terms?</p> <p>Ms Purvis-Smith: Again, I don't have the dollar terms for you, but I can take that on notice for you.</p> <p>Senator STOKER: That would be great, thank you.</p> <p>Ms Purvis-Smith: I do have some of that information if you would like me to provide that now.</p> <p>Senator STOKER: Please.</p> <p>Ms Purvis-Smith: In terms of taxpayers below \$18,201, so that's the tax-free threshold, there are 45,000 of those—they pay obviously 0 per cent of the tax paid—and there's 0.4 per cent of taxpayers in that bracket. Within the \$18,201 to \$37,000 bracket, the 19 per cent bracket, there's 22.5 per cent of taxpayers. They number around 2.3 million taxpayers, and they paid 2.3 per cent of personal income tax. In the next tax bracket, the 32.5 per cent tax bracket, between \$37,001 and \$87,000, there are 53.7 per cent, so around 54 per cent, of personal income taxpayers, so around 5.4 million taxpayers, and they pay around 32.5 per cent of personal income tax taxes. The remaining bracket, the 37 per cent bracket, between \$87,001 and \$180,000, there are just over 19 per cent, about 19.3 per cent, of personal income taxpayers in that bracket. They number about two million and they pay around 35 per cent of the personal tax paid in 2015-16.</p>	Tax Analysis Division	Wednesday 30 May
175	10	Keneally	Personal Income Tax Plan	<p>With regard to an article from the front page of The Australian on 30 May, was this analysis produced by the Department?</p> <p>a. If so, who requested this analysis, and on what date?</p> <p>b. Who compiled the table on this article?</p> <p>c. Was this compiled on request of the Treasurer, or any of his staffers?</p> <p>d. Was this compiled on request of any other minister, or their staffers?</p> <p>e. Who submitted this analysis to The Australian?</p> <p>f. Has the Department ever been asked by either the Treasurer's office, or any other minister's office, to do analysis of Labor policy?</p> <p>i. If so, was the Department specifically asked to provide analysis of Labor's tax refund for working Australians?</p> <p>ii. Further, can the Department table a full list of all Labor policies that have been analysed at the request of the Turnbull government?</p> <p>g. Why is the Department releasing this analysis, but not the year-on-year costings for the third stage of the government's personal income tax plan?</p>	Tax Analysis Division	Written
176	1	McAllister	Personal Income Tax Plan	<p>Senator McALLISTER: Yes. My question, which you may wish to take on notice, is whether the Treasurer asked Treasury to undertake any work to understand the impact of the Personal Income Tax Plan on women?</p> <p>Senator Cormann: I will take that on notice.</p>	Tax Analysis Division	Tuesday 29 May
177	2	Ketter	Progress on budget repair measures	<p>1. How many individual revenue measures are contained in the \$6.7 billion figure?</p> <p>Of the \$41 billion in budget repair measures that have been implemented since the 2016 PEFO, can you provide a table of all the individual measures making up that figure, whether piece of legislation or regulation they were contained in, and the dollar value of saving?</p>	Tax Analysis Division	Written

178	7	Ketter	R&D Tax Incentive	<p>and 2017-18 financial years to date? Can you break that down by sector?  Mr Brine: We will have to take that on notice.  [...]  Senator KETTER: [...] Based on Treasury modelling—I'm interested in the proposal for the sliding scale intensity measure—can you tell me how many companies will have their R&amp;D benefit cut 8.5 per cent to four per cent as a result of the intensity measure?  Mr Brine: I would need to take that on notice.  Senator KETTER: Of those companies, how many have a turnover of \$50 million or less? You could take that on notice as well. How many companies today will be financially better off under the new measures for the non-refundable component?  Mr Brine: We will need to take that on notice.  Senator KETTER: On your modelling, how many businesses that currently claim the non-refundable tax offset have intensity levels exceeding two per cent? I suspect you're going to be taking a lot of these on notice.  Mr Brine: Yes. On notice.  Senator KETTER: I will just put them on the table. How many have an R&amp;D intensity rate equal to or exceeding 13.25 per cent? How many companies that claimed the non-refundable component currently have an intensity of 40 per cent or more? What sector is likely to be worst hit as a result of the intensity measures? Do you have a feeling for that?  Mr Brine: I don't. We will take that on notice.  Senator KETTER: Manufacturers still represent about 30 per cent of the R&amp;D claims. I want to talk about the changes to the refundable component. How many companies will be affected by the new \$4 million cap?  Mr Brine: I will take that on notice.  [...]  Senator KETTER: Is it true that there may only be about 20 companies affected by the \$4 million cap?  Mr Brine: I'd have to take that on notice.  Senator KETTER: I'm interested in what sectors the affected companies will come from and what the annual average taxable income is from companies who claim the refundable R&amp;D incentive. Were options for a collaboration premium in the initial modelling undertaken for the budget R&amp;D measures?  Senator Cormann: That goes to the content of advice. I will take it on notice to see whether there is something we can provide you with in addition to what's already been provided.  Senator KETTER: I'm not asking for the advice; I'm asking whether it was considered.</p>	Tax Analysis Division	Wednesday 30 May
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179	1	McAllister	Labor Retiree Tax Impact	<p>Senator Cormann: And you are aware, of course, that Labor's retiree tax falls mostly heavily on women—with 30 per cent more females affected than men, which is why it's colloquially referred to as a granny's tax.</p> <p>Senator McALLISTER: So you're done gender analysis on Labor's policy but you've done no gender analysis on your own policy? That is absolutely—</p> <p>Senator Cormann: That is data that is out there in the public domain from other sources.</p> <p>Senator McALLISTER: You were able to tell us about the gender impact of a Labor policy but you've got no ability to talk about the impact of your own policies on women.</p> <p>Senator Cormann: Women are 30 per cent more impacted than men under your retiree tax.</p> <p>[...]</p> <p>Senator McALLISTER: Did the Treasurer ask the Treasury to do this work and they've just failed to—</p> <p>Senator Cormann: I will take it on notice if you want to get some more information about the negative impact on women of Labor's retiree tax.</p> <p>Senator McALLISTER: I'm not asking about that. I'm asking about the impact on women of your own policy—</p> <p>Senator Cormann: You asked me to take it on notice, so I'm taking it on notice.</p> <p>Senator McALLISTER: You misunderstood my question and that was not what I was asking.</p> <p>CHAIR: Do you want to clarify the question for the minister, Senator McAllister, and then we'll move on?</p> <p>[...]</p> <p>Senator Cormann: [...] And I will take on notice at the same time what the impact is on women of Labor's retiree tax.</p>	Tax Analysis Division	Tuesday 29 May
180	4	Wong	Overseas Staffing	<p>(a) How many staff of the Australian Office of Financial Management are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	AOFM	Written
181	4	Wong	Overseas Staffing	<p>(a) How many staff of the Australian Prudential Regulation Authority are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	APRA	Written
182	4	Wong	Overseas Staffing	<p>(a) How many staff of the Australian Securities and Investments Commission are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	ASIC	Written

183	4	Wong	Overseas Staffing	<p>(a) How many staff of the Australian Taxation Office are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	ATO	Written
184	4	Wong	Overseas Staffing	<p>(a) How many staff of the Commonwealth Grants Commission are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	CGC	Written
185	4	Wong	Overseas Staffing	<p>(a) How many staff of the Inspector-General of Taxation are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	IGT	Written
186	8	Wong	Overseas Staffing	<p>(a) How many staff of the Office of the Auditing and Assurance Standards Board are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p> <p>2. For the office of the Australian Accounting Standards Board:</p> <p>(a) How many staff of the Office of the Australian Accounting Standards Board are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	AASB/AuAS B	Written
187	4	Wong	Overseas Staffing	<p>(a) How many staff of the Productivity Commission are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	PC	Written

188	4	Wong	Overseas Staffing	(a) How many staff of the Royal Australian Mint are based overseas? (b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located. (c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged? (d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?	RAM	Written
189	4	Wong	Overseas Staffing	(a) How many staff of the Australian Reinsurance Pool Corporation are based overseas? (b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located. (c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged? (d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?	ARPC	Written
190	4	Wong	Overseas Staffing	(a) How many staff of the Reserve Bank of Australia are based overseas? (b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located. (c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged? (d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?	RBA	Written
191	4	Wong	Overseas Staffing	(a) How many staff of the Australian Charities and Not-for-Profits Commission are based overseas? (b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located. (c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged? (d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?	ACNC	Written
192	4	Wong	Overseas Staffing	(a) How many staff of the Foreign Investment Review Board are based overseas? (b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located. (c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged? (d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?	Foreign Investment Division	Written

193	12	Wong	Overseas Staffing	<p>1. For the office of the Australian Energy Regulator:</p> <p>(a) How many staff of the Australian Energy Regulator are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p> <p>2. For the office of the Australian Competition and Consumer Commission:</p> <p>(a) How many staff of the Australian Competition and Consumer Commission are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p> <p>3. For the office of the National Competition Council:</p> <p>(a) How many staff of the National Competition Council are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	ACCC/AER	Written
194	4	Wong	Overseas Staffing	<p>(a) How many staff of the Superannuation Complaints Tribunal are based overseas?</p> <p>(b) Where staff are based overseas, please advise the number of staff and the country and location in which these staff are located.</p> <p>(c) Of these staff, how many are A-based (that is, are posted overseas from Australia) and how many are locally engaged?</p> <p>(d) And of the locally engaged staff, how many are employed as contractors to the Embassy or High Commission, and how many are employed as contractors to the department or agency?</p>	SCT	Written
195	6	Siewert	ACNC Business	<p>1. Where is the Commissioner based? If outside Melbourne, what additional costs – airfares, cars, accommodation, travel allowances – are involved in attending the ACNC office? Is there another office somewhere? If so, where?</p> <p>2. Under the previous Commissioner there was an agreement for all senior staff, including the Commissioner herself, to travel economy class. Has this agreement continued?</p> <p>3. In disbanding the ACNC Research Network (which I understand had not met for over 12 months) the ACNC has told researchers that you have completed a strategic review of the ACNC research activities. Has that strategic review been made public? If not, why not?</p>	ACNC	Written

196	4	Siewert	Registered Charities	<p>1. Why is ASIC charging ACNC-registered charities the new annual Supervisory Levy when ASIC does not undertake administration activity for these charities?</p> <p>2. Does ASIC acknowledge it is not a legitimate form of cost recovery from charities that are registered with the ACNC?</p> <p>3. Is this a revenue generating measure for ASIC?</p> <p>4. Would ASIC provide an exemption for ACNC-registered charities on the basis that it is unreasonable to charge a flat levy fee where little, if any, administration is undertaken by ASIC?</p>	ASIC	Written
197	7	Whish-Wilson	Mortgage pricing	<p>Re: Productivity Commission: Competition in the Australian Financial System – Draft report; and ACCC: Residential mortgage price inquiry—Interim report</p> <p>Both the Productivity Commission and the ACCC found that competition on price is rarely evident in the mortgage market.</p> <p>1. Are there any prudential implications arising from this lack of competition?</p> <p>2. Are there any prudential settings that are contributing to this lack of competition?</p> <p>Both the Productivity Commission and the ACCC found a practice among banks—and the major banks in particular—of offering discounted interest rates to attract new customers (front book); and charging higher interest rates to existing customers (back book).</p> <p>3. Are there any prudential implications of this front book/back book practice?</p> <p>4. Are there any prudential settings that are contributing to this front book/back book practice? In particular does the use of internal risk weight models contribute to this practice?</p> <p>5. All else being equal, shouldn't prudential settings encourage banks to charge higher interest rates to customers with a higher LVR (front book, on average); and charge interest rates to customers with a lower LVR (back book, on average)?</p> <p>The Productivity Commission concluded that:</p> <p>APRA's actions to slow interest-only lending on residential property in early 2017 resulted in higher interest rates on both new and existing residential investment loans, despite the regulatory objective being to slow new lending. This led to a windfall gain for the banking sector.</p> <p>6. Does APRA agree with this finding?</p>	APRA	Written
198	4	Whish-Wilson	Mortgage income testing	<p>The Royal Commission has uncovered an over-reliance by banks on the Household Expenditure Measure (HEM) to determine a loan applicant's income, particularly for mortgages.</p> <p>1. Are there any prudential implications arising from an over-reliance on HEM for mortgage lending?</p> <p>2. Are there any prudential settings that are contributing to an over-reliance on HEM for mortgage lending?</p> <p>3. What action has APRA taken recently to improve the integrity of income testing by banks for mortgage lending?</p>	APRA	Written
199	2	Whish-Wilson	Productivity factors of capital spending	<p>re: Budget Paper No. 1: Statement 4: Public Investment and Productivity</p> <p>Box 2 estimates the productivity gains of public infrastructure investment by drawing from economic literature, and puts forward an average multiplier of 4 times GDP over the 25-year life of an asset.</p> <p>1. Does this finding accord with the Productivity Commission's understanding of the productivity factors associated with public capital spending?</p> <p>2. Does this finding accord with the Productivity Commission's understanding of the productivity factors associated with defence spending; or would it be significantly less?</p>	PC	Written
200	1	Siewert	Workplace Giving Programs	<p>1. Has the Government considered making giving easier; particularly relating to a minor change to the Fair Work Act to allow employers to engage their staff automatically and easily in their workplace giving programs?</p>	Individuals and Indirect Tax Division	Written

201	4	Siewert	Political campaigning	<p>1. If RSL advocates publicly for better conditions for ex-service people, would costs associated with such advocacy be treated as political expenditure?</p> <p>2. Will political expenditure include staff time, including that of employees whose roles encompass multiple responsibilities?</p>	Communications and Parliamentary Division	Written
202	2	Patrick	Case: Cost/Benefit	<p>Senator PATRICK: Thank you, Chair. I want to respond to a couple of things that have been said along the way, in particular, in your opening statement you made a claim in relation to the royal commission. I want to read this from our bible, which has some derivative from section 50 of the Constitution:</p> <p>The sub judice convention does not have application to matters before royal commissions... A royal commission is not a court, its proceedings are not judicial proceedings, it does not try cases and it is unlikely that a royal commissioner would be influenced by parliamentary debate.</p> <p>I just wanted to put that out there. Blanket claims are normally done so in error. Of course, you can make public interest immunity claims on any particular question.</p> <p>Commissioner Price, you made a statement in evidence before that in many instances you investigated a matter and took it to a point where you then had to consider the opportunity cost of taking it further. That's an unfortunate position you end up being in. I'm a little bit concerned about that. I'm happy to take this on notice, but I'm wondering if you could indicate matters, over can last three years, in which you decided not to, on the basis of opportunity cost, proceed to a court action? I don't mind if it's de-identified but perhaps attached to sector.</p> <p>Mr Price: Sure.</p>	ASIC	Wednesday 30 May
203	4	Ketter	IGT Complaints and Audits	<p>Senator KETTER: Is the Office of the Inspector-General of Taxation able to provide data for the past five financial years—you might want to take this on notice—on how many complaints the IGT has received, broken down by types of complaints; how many complaints were made about audit processes; and when the complaints were made?</p> <p>Mr Noroozi: Probably only for the last three years, because, as I stated, we only took it on on 1 May 2015. I suspect we will receive the details of that. We'd be happy to provide it.</p>	IGT	Tuesday 5 June
204	1	Patrick	IGT Annual Report	<p>Senator PATRICK: Because I think it's worth watching—and because, obviously, your resourcing may have to increase, depending on how these numbers go—and to help for the next estimates, can you take on notice just the complaints year-to-date, which I presume will be to the end of the financial year?</p> <p>Mr Noroozi: Yes. I can actually give that to you now.</p> <p>Senator PATRICK: No, it's fine; just on notice.</p> <p>Mr Noroozi: The year-to-date number of complaints.</p> <p>Senator PATRICK: Yes, which I think will be to the end of the financial year.</p>	IGT	Tuesday 5 June
205	1	Patrick	IGT Enforcement Powers	<p>Mr Noroozi: We are in the Treasury portfolio, whereas the Ombudsman is in PM&amp;C.</p> <p>Senator PATRICK: I understand that. Section 16 is the section of the Ombudsman Act that allows the Ombudsman to then take further action in the event that an agency doesn't follow a recommendation. Can you, on notice, confirm whether or not you can make a recommendation to the Treasurer—unless you know that now?</p> <p>Mr Noroozi: We should do, but we should check and confirm.</p>	IGT	Tuesday 5 June
206	1	Abetz	Tobacco tax	<p>a) How much tax is payable on a standard packet of cigarettes?</p> <p>b) Does any other country impose a higher rate of tax?</p>	Individuals and Indirect Tax Division	Written