



	A	B	C	D	E	F	G	H	I
4	56-65	10	Wong / Ketter		Underlying Cash Balance	<p>(GRAPH) Referring to Budget Paper 1, 3-11, the UCB projection through to 2026-27 is presented as follows: Note: A tax to GDP cap of 23.9 per cent is applied to these projections from 2021-22. Net Future Fund earnings are included in projections of the underlying cash balance from 2020-21 when drawdowns from the Future Fund commence. Source: Treasury projections.</p> <p>56. How is a ten year costing figure to be derived from this chart?</p> <p>57. If you removed the government's (self-imposed) tax-to-GDP cap of 23.9% from 2021-22 that is referred in the note accompanying the graph, what would you expect to happen to the UCB projection line?</p> <p>58. If you removed the company tax cut package from the assumptions that underpin this graph, what would happen?</p> <p>59. What underlying assumptions have resulted in the 2016-17 Budget line overtaking MYEFO in 2019-20?</p> <p>60. Has Treasury commissioned work on the legislation for this package of measures?</p> <p>61. If a company tax cut reduces Commonwealth Consolidated Revenues by an amount, say \$50 billion (or whatever the number turns out to be) over 10 years, and the deficit is projected to reduce over the same period, is the tax burden shifting in effect from companies to individuals as the Govt is forced to lower expenses in order to offset declining revenues?</p> <p>Senator Ketter also asked the following additional questions:</p> <p>62. Mr Turnbull tells us we can see it there, Mr Fraser, can you explain to the committee how we can see the ten year cost in the graph?</p> <p>63. What impact does stripping out the \$XX billion [the figure Fraser supplies] from the company tax cut package have on the 'line'?</p> <p>64. Whose idea was it to name these measures the 'Ten Year Enterprise Tax Plan'?</p> <p>65. Who made the final decision to have a ten year 'glide path' described in BP2-41?</p>	Written	6/05/2016	
5	66-75	10	Wong / Ketter		State Income taxes	<p>66. When was the last time Australia had state income taxes?</p> <p>67. What was the rationale behind reform that saw state income taxes replaced with a single, national income tax system?</p> <p>68. Has Treasury provided advice to PM&amp;C or the Treasurer's office on the potential savings arising from the Commonwealth withdrawing from public school funding?</p> <p>If yes, on what date was this advice provided?</p> <p>69. When did Treasury provide advice to the Treasurer's office on what became the Government's proposal for state income tax surcharges as announced by the Prime Minister on 30 March 2016?</p> <p>70. Did Treasury have any dialogue with State and Territory Governments prior to 30 March on the Prime Minister's proposal?</p> <p>71. What are the legislative and 'system architecture' changes required to implement a state-based income taxes?</p> <p>72. Could the Commonwealth legislate to allow a system for state income taxes by itself?</p> <p>73. Can Treasury please outline the efficiencies gained from moving from one Commonwealth income tax system and creating differential state income tax rates?</p> <p>74. How would this work for Australian businesses with national payrolls?</p> <p>75. How would this work for a small business employing people who work in bases in Albury and Wodonga?</p>	Written	6/05/2016	
6	76-78	3	Ketter		Non-Mining Investment	<p>In Budget Paper 1, 2-19/20 Treasury states:</p> <p>"...the recovery of non-mining investment has been slower than expected and leading indicators remain mixed, with some business expectations surveys suggesting the delay may continue into 2016-17" [2-19]</p> <p>"The pace and timing of a pick-up in non-mining business investment continues to be a key source of uncertainty for the outlook" [2-20]</p> <p>76. Why is non-mining business investment a key source of uncertainty?</p> <p>77. These comments are out of step with the Prime Minister's assertions in Budget Week that the economy is undertaking a smooth and successful transition from one focused on mining investment to one on non-mining investment. Is that correct?</p> <p>78. The business investment forecast figures are not strong - why aren't companies bringing forward investment plans?</p>	Written	6/05/2016	
7	79-84	6	Ketter		AAA Credit Rating	<p>79. The credit rating agency Moody's has indicated that the government's failure to make any progress in reducing debt and the deficit will put Australia's AAA credit rating at risk - does Treasury agree with Moody's?</p> <p>80. Adam Donaldson, head of fixed income research at the Commonwealth Bank of Australia, said after the Budget that the government is "skating on thin ice" with respect to maintaining our AAA rating - does Treasury agree with Commonwealth Bank?</p> <p>81. What are the implications of Australia losing our AAA rating?</p> <p>82. What would the impact be on interest costs on Australia's national debt?</p> <p>83. What would the impact be on household and business borrowing costs?</p> <p>84. What would the impact be on sub-national entities, such as states and territories?</p>	Written	6/05/2016	
8	85-86	2	Ketter		Negative Gearing	<p>85. Has Treasury done any modelling/analysis on the impact of Negative Gearing?</p> <p>86. Was this undertaken after Labor announced its policy on 12 February?</p>	Written	6/05/2016	Similar question taken on notice - see BET 310

	A	B	C	D	E	F	G	H	I
9	87-92	6	Carr		R&D Tax Incentive	<p>87. As a result of changes to the corporate tax rate, will there be an impact on the R&amp;D Tax Incentive?</p> <p>88. What will the impact be?</p> <p>89. Will the structure of the law be changed to accommodate the corporate tax rate changes?</p> <p>90. I understand that the bill to amend the R&amp;D tax incentive has lapsed – this is the Tax and Superannuation Laws Amendment (2015 Measures No. 3) Bill 2015, which sought to reduce the rates of the tax offset available under the R&amp;D Tax Incentive by 1.5 percentage points. That's correct?</p> <p>91. Is it still government policy to reduce the rate of the offset by 1.5 percentage points?</p> <p>92. Are the budget forecasts for the R&amp;D Tax Incentive (see Treasury PBS page 165) based on the assumption that the rate will remain the same, or are they based on a 1.5 percentage point reduction?</p>	Written	6/05/2016	
10	93-98	6	Wong / Ketter		Nominal GDP Growth	<p>(Budget Paper 1, 2-27)</p> <p>Nominal GDP growth is expected to be lower than forecast in 2015-16 MYEFO (15 December 2015), reflecting weaker inflation and lower growth than forecast.</p> <p>93. Despite slowing growth in the March quarter, the Budget assumes nominal GDP growth will increase from 2.5% this year, to 4.25% next year, and 5% in the remaining 3 years of the forward estimates. What is the underlying source of faster growth assumed in these forecasts? Compare this to the more sobering forecast of international credit ratings agency Moody's which projects nominal GDP at just 3.7% next year.</p> <p>94. How much larger would net debt be if Moody's forecasts turn out to be closer to the mark?</p> <p>95. How much larger would the deficit be if Moody's are right?</p> <p>96. What impact would falling commodity prices (iron ore, coking coal) have on nominal GDP growth?</p> <p>97. What impact would a depreciation of the Australian dollar have on nominal GDP growth?</p> <p>98. Noting that the RBA reduced the cash rate by 25 basis points on Tuesday, and this was (mostly) passed on by the Big Four, what impact would a period of sustained weak inflation have on nominal GDP growth?</p>	Written	6/05/2016	
11	99-103	5	Wong / Ketter		Commodity Prices	<p>An Iron Ore price of US\$55 per tonne underpins forecasts in the 2016-17 Budget (3 May 2016); a price of US\$39 per tonne was used to forecast the 2015-16 MYEFO (15 December 2015), but the overall impact has been offset by an appreciation of the Australian dollar. This US\$55 price has been questioned by several commentators.</p> <p>- NAB is forecasting prices to fall to an average of US\$42 per tonne in 2016. In its post-Budget assessment: "short term supply disruptions have driven iron ore prices higher, but this trend is unlikely to be sustained – with weak steel demand and falling production in 2016. This is forecast to drive both iron ore and metallurgical coal prices lower this year"</p> <p>- AMP asserts that the current price appears to owe more to commodity price speculation in China rather than fundamental demand.</p> <p>99. Are temporary factors responsible for the current price or is it returning to a long term average?</p> <p>100. Have short term supply disruptions driven iron ore prices higher?</p> <p>101. Does Treasury consider that the fundamental demand for iron ore will continue to sustain the current price?</p> <p>102. What guidance did the Treasurer's office give about the projections for commodity prices?</p> <p>103. What assumptions underpin this strong increase?</p>	Written	6/05/2016	
12	104-107	4	Wong / Ketter		Wage growth	<p>The government has revised upwards assumptions for wages growth since MYEFO. With Australians' wages growing at just 2.2% a year, what lies behind your assumptions of 3.5% growth.</p> <p>104. Why are wages growing so slowly?</p> <p>105. What is needed to restore wage growth?</p> <p>106. What is the impact of sluggish wage growth on consumption?</p> <p>107. What is the long term impact of low wage growth on consumption?</p>	Written	6/05/2016	Similar questions asked and answered on page 39

	A	B	C	D	E	F	G	H	I
13	108-126	19	Wong / Ketter		Fiscal Strategy	<p>108. At the 2013 election, the Abbott Government announced its commitment to reach a surplus of 1% of GDP by 2023-24. When did the Government's fiscal strategy change?</p> <p>109. What particular factors account for the change to the fiscal strategy?</p> <p>110. Was the change to the fiscal strategy made by Government Ministers?</p> <p>111. Did Treasury provide formal advice to Ministers regarding the sustainability or otherwise of the government's former fiscal strategy?</p> <p>112. Was the final decision to change fiscal strategy a formal decision – or was it a more informal process?</p> <p>113. What does Treasury regard as the primary (or major) impact of a change in fiscal strategy and the removal of the commitment to achieve a Budget surplus by 2023-24?</p> <p>114. Do Treasury assessments demonstrate that this specific change in the fiscal strategy allows for budget deficits to occur beyond 2023-24 while still complying with the new fiscal strategy?</p> <p>115. What change has occurred to the Underlying Cash Balance forecast for the financial year 2016-17, since the 2014 Budget through to the present? Please provide comparative figures.</p> <p>116. What is the increase in cumulative deficit across the forward estimates, from the 2015 Budget to the 2016 Budget?</p> <p>117. Were tax receipts as a percentage of GDP 22% in 2014-15.</p> <p>118. Please advise the last time that tax/GDP was as high as that announced in the Budget.</p> <p>119. Does the tax/GDP ratio fall or rise over the forward estimates? How much does it rise by?</p> <p>120. If the tax/GDP ratio is rising, does that mean there is a rising tax burden on the economy? Please explain.</p> <p>121. Has Treasury provided advice to the government on what impacts there would be on Public Debt Interest (and the Budget), if Australia's three AAA credit ratings were placed on negative outlook? On what day was such advice provided to the Government?</p> <p>122. Based on its Post-Budget statement, do you believe that the credit agency Moody's is concerned about the Government's ability to retain its AAA rating?</p> <p>123. What impact do Net Future Fund earnings have on delivering a surplus into the future (included from 2020-21)?</p> <p>124. What is the projected surplus by end of medium-term (2026-27)?</p> <p>Senator Ketter also asked the following additional questions: Further to question 108: 125. When did it change? 126. Why did it change at MYEFO and not earlier?</p>	Written	6/05/2016	
14	127-128	2	McAllister / Ketter		Changes to Superannuation	<p>127. Has Treasury modelled any other changes to superannuation, other than those announced in the Budget on 3 May? If so, please outline these?</p> <p>128. When was Treasury requested to advise government on retrospective changes to superannuation?</p>	Written	6/05/2016	
15	129-130	2	McAllister / Ketter		Low Income Super Tax Offset (LISTO)	<p>129. What is the differences between the existing Low Income Superannuation Contribution (LISC) and the Low Income Superannuation Tax Offset (LISTO)?</p> <p>130. What is the revenue impact of treating the payment as a contribution (per the LISC), versus an offset (per the LISTO)?</p>	Written	6/05/2016	Similar questions asked and answered on page 29
16	131-134	4	McAllister / Ketter		Tax Concessions	<p>131. Are superannuation tax concessions considered by Treasury as a means to support those most at risk of being dependent on the age pension?</p> <p>132. Did Treasury recommend a \$250,000 annual income threshold for the High Income Superannuation Contribution or a lower amount?</p> <p>133. What other amounts were considered?</p> <p>134. What other amounts were modelled?</p>	Written	6/05/2016	
17	135	1	McAllister / Ketter		Impact on Women	<p>135. Did Treasury model the impact of superannuation guarantee payments on Paid Parental Leave?</p>	Written	6/05/2016	Similar question taken on notice - see BET 312
18	136-139	4	McAllister / Ketter		\$1.6 million Balance Cap	<p>136. How many Australians have retirement income balances of over \$1.6 million?</p> <p>137. Of these, what proportion are in accumulation phase and what proportion are in drawdown phase?</p> <p>138. Please detail the assumptions contained in the statement that a superannuation balance of \$1.6 million provides an income stream in retirement of around four times the level of the single age pension?</p> <p>139. FSC has argued: "The new caps and thresholds limit the capacity for Australians to save for their own retirement and will restrict retirees to an income of around \$80 000 per annum from their superannuation. An \$80 000 limit will fail to cover the costs of retirement for many Australians, when you include healthcare, aged care and a comfortable standard of living." Does Treasury agree with that assessment?</p>	Written	6/05/2016	

	A	B	C	D	E	F	G	H	I
19	140-141	2	McAllister / Ketter		Catch-Up Contributions	140. Has Treasury modelled the income and gender distribution of individuals making contributions in excess of: - The superannuation guarantee? - Existing concessional contributions caps? 141. Has Treasury estimated the income and gender distribution of individuals are likely to make catch-up contributions? If so, what is the distribution?	Written	6/05/2016	
20	142-144	3	McAllister / Ketter		Non-Concessional Contributions Cap	142. What was the reasoning behind the decision to set a \$500,000 non-concessional contributions cap? 143. Was a lower cap(s) considered? 144. What was the key reason for not choosing a lower cap?	Written	6/05/2016	
21	145-148	4	Ketter		Revenue	145. Does Treasury rely on information from the ATO to make revenue estimates for multinational profit shifting? 146. What is the formal nature of the relationship – is there an MOU? 147. Are there limits on how much information is shared? 148. Are there privacy considerations?	Written	6/05/2016	
22	149	1	Ketter		PRRT Revenue	149. Australia will become the world's largest gas exporter by 2020: why has projected PRRT revenue fallen off a cliff, from \$1.87B in 2014-15, to an estimated \$800m over the forward estimates (to 2019-20).	Written	6/05/2016	Similar question asked and answered on page 59
23	150-151	2	Ketter		Panama Papers/Cayman Islands	150. Do leaks such as the Panama Papers – and their implications for tax revenue in Australia – factor into Treasury's costings? If so, how? 151. Which countries does Treasury currently consider to be tax havens?	Written	6/05/2016	Similar question asked and answered on page 59
24	152-160	9	Ketter		Diverted Profits Tax (Google Tax)	152. What is the Diverted Profits Tax? 153. Robert Jeremenko – Morrison's chief of staff (originally chosen by Hockey) on the Tax White Paper – said "How can this actually work?...A 25 per cent tax on profits is perhaps a nice soundbite for media reporting and it might get some good political traction for the UK government, but it's certainly not that easy". Do you share those views? 154. Was a Diverted Profits Tax considered by the Tax White Paper? 155. How does the Diverted Profits Tax differ from the measures in the Multinational Anti-Avoidance Law (MAAL) legislated in 2015 (and Part 4A of the Income Tax Assessment Act broadly) and the multinational measures announced in the 2016-17 Budget? 156. The revenue from MAAL in the 2015-16 Budget and the Explanatory Memorandum for the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015 was indicated by asterisks, i.e. 'unquantifiable'. Has Treasury changed the assumptions underpinning such costing between then and now? 157. What assumptions have changed? 158. Why did those assumptions change? 159. Did the Government request a change in the assumptions? 160. Could the Google Tax violate any tax treaties Australia has signed?	Written	6/05/2016	
25	161-165	5	Ketter		Reduction in ATO Staff	In the 2014-15 Budget, a 4,700-strong reduction in ATO staff was projected to provide savings of \$142.8 million over forward estimates. On February 28 2014, Second Commissioner Neil Oleson told the House Standing Committee on Tax and Revenue that investments in the ATO can yield a return of \$6 for every \$1 spent. In the 2016-17 Budget, the ATO has been given an additional \$679 million which has a return of \$3.7 billion. The following questions relate to this information: 161. Did Treasury model the revenue impact of staff cuts for the 2014-15 Budget? 162. Why did Treasury project savings rather than a loss of revenue from larger staff for enforcement? 163. Does the announcement of additional funding in the 2016-17 Budget, and the approximate return of \$5 in revenue for every \$1 of additional funding given to the Tax Office, confirm Mr Oleson's observation in 2014? 164. Is the ATO taskforce announced simply just replenishing previous staffing levels? 165. How much revenue has been forgone by cutting 4,700 staff?	Written	6/05/2016	

	A	B	C	D	E	F	G	H	I
26	166-171	6	Ketter	ATO	High Net Worth Data Matching	<p>166. Does the ATO have an estimate on the number of potential high-wealth individuals who have assets that have not previously been included in their asset reporting for tax purposes?</p> <p>167. Does the ATO have an estimate on how much revenue the data-matching program is expected to yield?</p> <p>168. Is the data-matching program being run by experienced ATO staff, or have external consultants been brought in to run it?</p> <p>169. Have additional resources been allocated to manage the fraud risk associated with the higher threshold? Can you outline these additional resources?</p> <p>170. How many staff members are assigned to this? How does this compare to staff allocated to compliance when the previous instant asset write-off measure was in place?</p> <p>171. How has ATO's ability to enforce and manage fraud risk been affected by the cuts to the agency in recent years?</p>	Written	6/05/2016	
27	172-178	7	Ketter		Multinational profit shifting	<p>172. Australia's anti-avoidance law is modelled on a similar law adopted in the UK. How many successful cases have the UK tax authorities prosecuted under that law to date?</p> <p>173. Both the Budget papers and MYEFO update listed asterisk instead of revenue estimates against the government's anti-tax avoidance plan. Do you have updated revenue estimates now that the plan has taken effect?</p> <p>174. Were any estimates related to this included in the upcoming Budget?</p> <p>175. Please provide these estimates.</p> <p>176. One very large multinational technology corporation has recently reached tax settlement agreements with the governments of the UK and Italy worth hundreds of millions of dollars. Is Treasury pursuing a similar settlement deal with any very large multinational technology firms?</p> <p>177. A bill to implement the Common Reporting Standard on automatic exchange of financial account information is set to pass the Parliament shortly; how many countries will start exchanging information on company accounts in 2017 and 2018?</p> <p>178. What is the reason behind the decision that Australia will not exchanging information on company accounts until 2019 at the earliest?</p>	Written	6/05/2016	
28	179-182	4	Ketter		Depreciation Schedules	<p>179. Do the proposed changes to depreciation schedules for intangible assets apply only to start-ups, or would very large, e.g. multinational, corporations, also be able to take advantage of them?</p> <p>180. What is the current cost estimate for this measure over the forward estimates?</p> <p>181. What rate of uptake is this costing based on?</p> <p>182. Is Treasury concerned about the cost of this measure blowing out significantly if major global firms take advantage of it?</p>	Written	6/05/2016	
29	183-193	11	Ketter		Alcohol Tax/WET rebate	<p>183. Can Treasury advise of the rationale of lowering the WET rebate cap from \$500,000 to \$350,000 on 1 July 2017 and then to \$290,000 by 1 July 2018?</p> <p>184. What are the eligibility criteria?</p> <p>185. The 2015 Tax Expenditures Statement lists the Wine Equalisation Tax producer rebate as a \$1.4 billion expense over the years to 2019. Is that considered to be good value for money?</p> <p>186. The argument for retaining the WET has always been that it supports local wine production in Australia. What is the value of the WET to Australian wine producers?</p> <p>187. What modelling has been done on the numbers of producers who will lose access to the WET rebate cap, by state? [Please table]</p> <p>188. What will be the impact on jobs in the wine industry?</p> <p>189. The Treasury consultation paper was dated August 2015. Did industry have any advanced notice the Budget decision was coming?</p> <p>190. Did Treasury receive any industry feedback about the need for certainty before the 2016 crop was picked?</p> <p>191. The measure description also says the government will tighten eligibility criteria. How?</p> <p>192. Is the new criteria exactly the same as what Treasury consulted on last year?</p> <p>193. Did Senator Edwards write a letter to the Treasurer urging him to keep the current rebate cap?</p>	Written	6/05/2016	

	A	B	C	D	E	F	G	H	I
30	194-209	16	Ketter	ASIC	ASIC	<p>194. Under what circumstances would a Royal Commission be considered necessary to conduct an investigation into the banking and financial services sector?</p> <p>195. What could a Royal Commission do that ASIC can't do?</p> <p>196. Is ASIC best placed to judge its own performance?</p> <p>197. Could a Royal Commission investigate the performance of ASIC?</p> <p>198. Why has it taken three years for ASIC's capabilities to be strengthened?</p> <p>199. On what measures has ASIC's performance improved since 26 June 2014?</p> <p>200. Is ASIC seen to be tough regulator? By who?</p> <p>201. The ASIC capability review suggests 'ASIC review ASIC' in a few recommendations. Is ASIC reviewing ASIC?</p> <p>202. Has ASIC been captured by lobbyists?</p> <p>203. The Treasurer and Assistant Treasurer announced on 20 April 2016 that the government would implement five of the 34 recommendations made by the Expert Panel review on the capabilities of ASIC – how many of the 34 recommendations does ASIC agree with?</p> <p>204. Was an extension of the ASIC Chairperson's term one of the 34 recommendations?</p> <p>205. Which banks have been consulted on these changes? Do the banks support the recommendations?</p> <p>206. Why would the banks not pass on any costs for the user pays model of funding?</p> <p>207. Why was the implementation of these measures rushed in?</p> <p>208. What are the benefits for whistleblowers and victims for ASIC to investigate banks rather than a Royal Commission?</p> <p>Senator Ketter also asked the following additional question:</p>	Written	6/05/2016	
31	210-213	4	Ketter	ASIC	ASIC Capability Review	<p>210. Was the capability review critical of ASIC in its findings?</p> <p>211. Despite Mr Medcraft's public attacks on the culture of the banking and financial services sector, Section 2.4 of the Capability Review "considers ASIC's internal culture to be more defensive, inward looking, risk averse and reactive than is desirable for a conduct regulator" – is this a fair an accurate general observation of ASIC's internal culture?</p> <p>212. Is it to be the responsibility of leadership to set the culture?</p> <p>213. The Capability Review states "commissioners therefore need to articulate the required cultural changes in the organisation" – what cultural changes have been articulated? Why?</p>	Written	6/05/2016	
32	214-216	3	Ketter	ASIC	ASIC Enforcement	<p>214. The capability review suggests ASIC's leadership places too much emphasis on enforcement. Is ASIC going too far?</p> <p>215. What do you think the victims of Commlnsure would say to this assertion?</p> <p>216. Given that ASIC has initiated several 'lessons learned' reviews across enforcement cases, what material improvements have been made?</p>	Written	6/05/2016	
33	217-220	4	Ketter	ASIC	ASIC Staffing	<p>217. Section 4.1 of the capability review, states some ASIC "staff lack sufficient professional confidence in their roles to credibly challenge regulated entities" – Do you agree with this assessment?</p> <p>218. How many ASIC staff are currently employed outside Melbourne, Canberra and Sydney?</p> <p>219. How many staff are employed in the Northern Territory?</p> <p>220. Will this change with your new funding?</p>	Written	6/05/2016	

	A	B	C	D	E	F	G	H	I
34	221-236	16	Ketter		Small Business Ombudsman	<p>221. Should an ombudsman be impartial?</p> <p>222. Is it appropriate for an Ombudsman to make statements that support particular political positions or policies?</p> <p>223. Is it appropriate for an Ombudsman to make a partisan statement in a public debate?</p> <p>224. Should an Ombudsman be commenting on divisions between the Government and Opposition?</p> <p>225. If an Ombudsman demonstrates partisanship in a debate, how might this affect consumers and customers who have issues with the Government? Where can small businesses go, if they see the Ombudsman as an arm of government?</p> <p>226. Who can dismiss an Ombudsman?</p> <p>227. What kind of inquiries should the Ombudsman seek to undertake?</p> <p>228. How extensive do you believe these inquiries should be?</p> <p>229. What resources does the Ombudsman have to effectively undertake a large inquiry?</p> <p>230. What type of issues merit an Ombudsman-led inquiry?</p> <p>231. In a recent Joint Standing Committee report, recommendations from the Government to the Ombudsman included:</p> <ul style="list-style-type: none"> <li>• The design of a process for additional costs that a bank incurs when a loan is in default</li> <li>• Lead and coordinate the implementation of the outcomes of the inquiry</li> <li>• Bring together a team of financial service, ethics and education specialists to establish standards for banks</li> <li>• Nominate independent experts to critically examine contentious cases of unconscionable conduct</li> <li>• Create a user pays system industry funding model as a tribunal to consider cases of unconscionable conduct</li> </ul> <p>Will you require additional resources to fulfil this program of work if requested by the Govt?</p> <p>232. How many commercial financial/legal specialists do you employ currently?</p> <p>233. Is a request to the Ombudsman to effectively undertake the work of a Banking Royal Commission (which is the request by the many individuals who have complained about bank behaviour) likely to satisfy the many aggrieved individuals who have been seeking a root and branch review of bank behaviour?</p> <p>234. Should the Ombudsman reject the recommendation to correct and repair the behaviour of the banks given your current staffing levels and your role as an Ombudsman (i.e. dispute resolution before a legal process is initiated)?</p> <p>Senator Ketter also asked the following additional questions:</p> <p>235. What kind of activity should an impartial ombudsman refrain from engaging in?</p> <p>236. The Parliamentary Joint Committee report into loan impairment recommends that ASBFEO investigate the disputed cases of loan impairments that were raised by the inquiry. What experience does the ASBFEO have in investigating loan or credit disputes?</p>	Written	6/05/2016	
35	237-253	17	Ketter		Effects test	<p>237. Does Treasury believe there will be any sort of behavioural or price impact resulting from legislating an effects test? Please explain the basis on which you make this assessment.</p> <p>238. Has Treasury done modelling on the economic and price impacts flowing from an effects test?</p> <p>239. How was the impact of the effects test modelled?</p> <p>240. What price impact modelling was done? What did that modelling show?</p> <p>241. Was it provided to the Treasurer's office?</p> <p>242. Have stakeholders raised concerns with Treasury during its discussion paper consultations that an effects test could threaten business ability to engage in discounting, like for example, the \$1 milk that Coles and Woolworths have? Which stakeholders?</p> <p>243. Does Treasury have a view on the potential for discounting behaviour to be caught by an effects test?</p> <p>244. Why are higher prices or lower prices for basic goods (like milk) preferable for consumers?</p> <p>245. How do lower prices for basic goods, place downward pressure (at the margin) on inequality?</p> <p>246. How will the effects test cause upwards pressure on the price of basic items like milk?</p> <p>247. Have you estimated the level of litigation that will occur due to the Effects Test?</p> <p>248. What change will new legislation for the effects test have on existing competition case law in the Federal Court?</p> <p>249. What impact will changing Section 46 have on existing case law, such as the Queensland Rail decision?</p> <p>250. Has this been considered by Treasury? When did this occur?</p> <p>251. Will this create uncertainty?</p> <p>Senator Ketter also asked the following additional questions:</p>	Written	6/05/2016	Similar questions asked and answered on pages 83-84
36	254-265	12	Wong / Ketter		Kidman sale	<p>254. Why did the Treasurer commission an independent review of the Kidman sale process by Professor Graeme Samuel?</p> <p>255. What issues was Professor Samuel asked to examine.</p> <p>256. The Treasurer's media release of 29 April 2016 refers to the independent review examining market integrity issues around the Kidman sale process. What market integrity issues were examined? Why did the Treasurer come to the view that there were market integrity issues that needed to be examined? Why was Treasury or FIRB not able to provide the Treasurer with advice on market integrity issues? Why did the Treasurer want external and independent advice rather than advice from Treasury/FIRB?</p> <p>257. Who engaged Professor Graeme Samuel to conduct the review?</p> <p>258. Was there a contract?</p> <p>259. When did the services commence and conclude?</p> <p>260. Was there a tender process for engaging a reviewer?</p> <p>261. How was Professor Samuel selected to conduct the review?</p> <p>262. How much was Professor Samuel paid?</p> <p>263. Why was the Treasurer's decision announced 29 April 2016 a "preliminary view"?</p> <p>264. When is a final decision required to be made?</p> <p>265. Can the final decision differ from the "preliminary view"?</p>	Written	6/05/2016	



	A	B	C	D	E	F	G	H	I
37	266-274	9	Wong / Ketter		FIRB Policy	<p>266. Can Treasury confirm that if the investor who was proposing to acquire Kidman came from the United States, FIRB screening would not have been required?</p> <p>267. What about if the investor had been from New Zealand or Chile – would FIRB screening have been required for this proposed acquisition?</p> <p>268. So under the Government’s foreign investment policy, the reason this acquisition was required to go to FIRB was because of the nationality of the investor?</p> <p>269. What is the policy rationale for a FIRB screening policy that treats investors differently based on their nationality?</p> <p>270. When potential investors are required to submit applications to FIRB for consideration, does it create additional costs for the investor?</p> <p>271. Are some costs associated with potential delays for an investor?</p> <p>272. Does an FIRB process present a higher regulatory risk for investors?</p> <p>273. Is it correct that by lowering the FIRB screening thresholds for agricultural land and in agribusiness, the Government has effectively increased costs, delays, and risks for investors?</p> <p>274. All else being equal, will higher costs, longer delays, and higher risks for investors make Australia less attractive as an investment destination?</p>	Written	6/05/2016	Similar questions asked and answered on page 79
38	275-282	8	Wong / Ketter		FDI destination	<p>The OECD foreign direct investment statistics which show that FDI inward flows to Australia declined by USD17.3 billion or 30% in 2014 and then declined again by a further \$17.4 billion or 44% in 2015. (see <a href="http://www.oecd.org/daf/inv/investment-policy/FDI-in-Figures-April-2016.pdf">http://www.oecd.org/daf/inv/investment-policy/FDI-in-Figures-April-2016.pdf</a> at page 10).</p> <p>275. Do these OECD FDI statistics show that FDI inflows to Australia in 2015 were at their lowest level since 2005?</p> <p>276. Has Treasury analysed the declining FDI inflows to Australia?</p> <p>277. What factors does Treasury believe are causing this decline?</p> <p>278. Has Treasury been analysing Australia’s declining ranking on this index over the last two years?</p> <p>279. What factors does Treasury believe are causing this decline?</p> <p>280. Would reducing FIRB screening thresholds cause senior executives of major international corporations to lower their view of the attractiveness of a country for FDI?</p> <p>281. Would increasing fees for FIRB applications cause international investors to lower their view of the attractiveness of a country for FDI?</p> <p>282. Is Treasury aware of the A.T. Kearney? A.T. Kearney produces a Foreign Direct Investment Confidence Index based on surveys of executives of major international corporations – it ranks countries based on how political, economic and regulatory changes will affect FDI inflows in coming years. Can Treasury confirm that Australia’s ranking in the A.T. Kearney index fell from sixth place in 2013 to eighth place in 2014 and then fell again to 10th place in 2015? <a href="http://www.atkearney.com.au/documents/10192/5797358/Connected+Risks%E2%80%9494Investing+in+a+Divergent+World.pdf/e45b9ffa-700b-445e-bb34-e2dff082009">http://www.atkearney.com.au/documents/10192/5797358/Connected+Risks%E2%80%9494Investing+in+a+Divergent+World.pdf/e45b9ffa-700b-445e-bb34-e2dff082009</a></p>	Written	6/05/2016	Similar questions asked and answered on pages 79 & 80
39	283-291	9	Wong / Ketter	ACCC	ACCC	<p>283. Action by the ACCC recently resulted in a \$1.7m fine against Neurofen – was this the penalty sought?</p> <p>284. Are higher penalties warranted?</p> <p>285. Why are penalties set at current rates?</p> <p>286. Are there limits to seeking higher penalties under the current regime?</p> <p>287. Are there other examples of misconduct, alleged or proven by the ACCC, where harsher penalties would have been more appropriate relative to the seriousness of the crime?</p> <p>288. Is there rational for differences between the rate of penalties under the Australian Consumer Law, and those in the Competition and Consumer Act for activity like cartels?</p> <p>289. What deterrence effect would a different penalty regime have?</p> <p>290. Please summarise the ACCC submission to Australian Consumer Law review?</p> <p>291. Since cutting the ACCC Budget, what percentage of cut funding has the Government restored?</p>	Written	6/05/2016	Similar questions asked and answered on page 85
40	292-296	5	Wong / Ketter	ACCC	Recent competition cases	<p>The Informed Sources case against five major petrol retailers has now concluded with an agreement that the company will make its price information available to the public at the same time as those retailers.</p> <p>292. When will this information begin to flow to the public?</p> <p>293. What resources has ACCC allocated to monitor compliance with this agreement?</p> <p>294. In light of recent media reports about record-high margins between retailer costs and prices at the pump, will ACCC undertake any further market investigations or action on petrol prices?</p> <p>295. The parliament will soon pass a bill banning excessive surcharges for credit card and other payments – how will ACCC enforce compliance with this ban? Does ACCC have the resources necessary to do this within the current funding envelope?</p> <p>296. Will ACCC resources be diverted from other functions to enforce excessive surcharging bans, or will new resources be needed for this purpose?</p>	Written	6/05/2016	Similar questions asked and answered on pages 86 & 87

	A	B	C	D	E	F	G	H	I
41	297-299	3	Wong / Ketter	ACCC	Resourcing for litigation	<p>297. What resources are currently allocated for ACCC to take on conduct by big business that adversely impacts on small businesses in the courts?</p> <p>298. Are the opportunities to take on court proceedings limited by availability of ACCC resources?</p> <p>299. Are small businesses less likely to utilise the court system with regard to competition and market access cases because of the costs involved?</p>	Written	6/05/2016	Similar questions asked and answered on page 87
42	300-303	4	Wong / Ketter		NBN Wholesale Market Indicators Report	<p>On 30 July 2015, ACCC released a discussion paper titled Proposed NBN Wholesale Market Indicators Report. The consultation paper states that "Following the completion of this industry consultation process, and based on submissions provided, the ACCC will consult with NBN Co and Telstra pursuant to section 151 BUA of the Competition and Consumer Act 2010 on proposed directions to disclose. The ACCC anticipates issuing directions to disclose to NBN Co and Telstra in the final quarter of 2015."</p> <p>300. How many submissions has the ACCC received into the industry consultation outlined in the Proposed NBN Wholesale Market Indicators Report – Discussion Paper?</p> <p>301. Were these "directions to disclose" issued to NBN Co and Telstra?</p> <p>302. If not, why not?</p> <p>303. Where is the process up to?</p>	Written	6/05/2016	Similar questions asked and answered on pages 87 & 88
43	304	1	Wong		Ten Year Enterprise Tax Plan	<p>Senator WONG: So I will ask you a qualitative rather than a quantitative question. I will just go through BP2. It might be quicker. I assume that, over the 10 years, the measure at page 36, the 'Better targeting the deductible liabilities' measure, would be a net cost to the bottom line over the decade.</p> <p>Senator Cormann: While Mr Brake is looking for that answer, this is probably an opportune time to remind you, Senator Wong, that when you were the finance minister—and I am quoting here from an interview you gave to ABC Insiders on 18 March 2012—you said: 'We don't release 10-year costings.' That was your quote. If you want to now go through a shopping list of measures which have all been costed consistently with the costing conventions over the four-year estimates period which is published in the budget paper, what I will do is take these questions on notice and consult with the Treasurer to see whether there is any other information we may be able to assist you with.</p>	Spoken page 8	6/05/2016	
44	305	1	Wong		Tobacco Tax	<p>Senator WONG: I will come to the tobacco tax, where the government also chose to release 10-year costings. I am actually not asking about 10-year costings. I have accepted Mr Fraser's evidence that he is not permitted by the Treasurer to release anything further on this one. I have accepted that. I actually was asking a qualitative question. I am not asking for a number; I am simply asking the obvious question because it is a hit to the bottom line over the four years. Would it be right to assume that that measure on page 36, the 'better targeting the deductible liabilities measure', would be a net cost to the budget over the decade?</p> <p>Mr Brake: Clearly, it has a cost over the forward estimates. As the measure description says, basically, the previous government announced a measure to deal with these deductible liabilities. What the government is doing is modifying that measure to largely have the same policy intent, but the mechanism for achieving that is a little different. As the measure description says: Over time (and after accounting for the deferred start date), the revenue gain from the two approaches will be broadly the same and hence the cost over the forward estimates period from the modification largely reflects a timing difference only.</p> <p>Senator Cormann: To add to that answer I am going to refer members of the committee to Budget Paper No. 1 page 3-11. You will see there that there is a graph here which shows that the projected return to surplus is the same as it was before Christmas in our half-yearly budget update: 2020-21. The cost of all of the measures in this budget, where relevant, is of course reflected in our medium-term projections. What this graph shows is that over the medium term all the way to 2026-27 we are projected to remain in surplus based on the policy decisions and our current assessment of relevant economic parameters and other parameters. I understand the line of questioning that Senator Wong is seeking to pursue, but the plan the Treasurer delivered on Tuesday for jobs and growth, as you can see here, is actually affordable, funded and sustainable within our budget over the medium term.</p> <p>Senator WONG: Mr Brake, is it a net cost or not over the decade? If I understood your answer, there is a timing issue hit to the bottom line over the first whatever number of years, and then essentially parity with the preceding position. Is that a broad summation? To my way of thinking, that is still a net cost over the decade.</p> <p>Mr Brake: Senator, because of the nature of this measure and the fact that there are these timing issues, in terms of assessing the cost over the 10 years versus over the four years I would like to take that on notice.</p>	Spoken page 8	6/05/2016	
45	306	1	Wong		Unincorporated Small Business Tax Discount	<p>Senator WONG: I am going to ask you about the costs of the unincorporated small business tax discount over the 10 years.</p> <p>Mr Brake: What was your question?</p> <p>Senator WONG: The unincorporated small business tax discount, I am asking you to give me the 10-year cost of it.</p> <p>Mr Brake: Because the discount increases after forward estimates, we would have done a 10-year costing for that.</p> <p>Senator WONG: Yes, and I am asking you to give me the cost over the 10 years.</p> <p>Mr Brake: We will need to take that on notice and refer that to the Treasurer.</p>	Spoken Page 11	6/05/2016	

	A	B	C	D	E	F	G	H	I
46	307	1	Bushby		GDP Growth	<p>Senator BUSHBY: What was the average nominal GDP growth over the past 50 years?</p> <p>Mr Ray: Over the past 50 years?</p> <p>Senator BUSHBY: Fifty years, yes.</p> <p>Mr Ray: I think I would need to take that on notice.</p> <p>Mr Fraser: It was skewed very much in the eighties because we had very high inflation rates. You got quite large, double-digit nominal GDP rates married with quite modest real GDP rates. I will take it on notice. My memory is going.</p> <p>Mr Ray: I have done a chart which suggests it is considerably above five, closer to 10.</p> <p>Senator BUSHBY: My advisers pulled up a number, which they have sent to me, that says that over the last 55 years it is 8.7 per cent.</p> <p>Mr Ray: Looking at this chart, it is plausible.</p>	Spoken Page 19	6/05/2016	
47	308	1	Edwards		VET FEE-HELP	<p>CHAIR: I see the shadow Treasurer is claiming that their proposed policy to cap VET FEE-HELP at \$8,000 would reduce the underlying cash deficit by \$6 billion over 10 years, to be precise. Minister, the transcript reads:</p> <p>Well, I think, I think it's a very, very significant step in the right direction. I mean, this problem has been very evident in the last few years. The Government's decisive actions have been a discussion paper released last week, well Kim Carr and myself and Tony Burke have been looking at this issue. This is a very sensible plan which not only has a positive return on the budget bottom line but stops the rip off young people in particular who are looking for improvements in their qualifications but are being treated to very shoddy service by ... providers. The evidence given by yourself and Mr Brennan would suggest that that is inaccurate—if I could put it in the softest possible terms. Mr Brennan: Chair, I would have look at the detail of the specific proposition in order to form a view. I would keep it at the general level.</p> <p>CHAIR: The shadow Treasurer also said—</p> <p>Senator Cormann: We will take it on notice. We might be able to assist later on today.</p> <p>CHAIR: that on ABC radio this morning as well.</p> <p>Senator Cormann: What we will do, Chair, is to take that on notice and I am sure that Mr Brennan will be able to come back later today with some more conclusive information.</p>	Spoken Page 27-28	6/05/2016	
48	309	1	Edwards		VET FEE-HELP - Underlying Cash Balance	<p>Senator Cormann: What I will put to you is that it is absolutely beyond doubt that the proposal to cap VET FEE-HELP loans to \$8,000 will not reduce the underlying cash deficit by \$6 billion over 10 years. In fact, if anything, it will detract from the underlying cash balance over that period on the basis that it will reduce—if you write fewer loans—the level of interest income to government and that is what is accounted in the underlying cash balance, which is something that Mr Bowen, as a former Treasurer, should of course know.</p> <p>CHAIR: It is a pretty basic error.</p> <p>Senator KETTER: Chair, I have given people licence on this, but I think the purpose of these proceedings is to look at the government's—</p> <p>CHAIR: I just want to know. It is a pillar of the alternative government's budget-in-reply speech, Senator Ketter.</p> <p>Senator McALLISTER: And that is not the purpose of estimates to examine the alternative government's budget-in-reply speech.</p> <p>CHAIR: We do have the Treasury officials in front of us.</p> <p>Senator McALLISTER: And the Treasury officials have given evidence that they have not examined this proposition.</p> <p>CHAIR: I want to know whether it is patently false—you guys do not have a real good track record when it comes to managing the Treasury.</p> <p>Senator McALLISTER: Well, that is a political argument for you to make in another forum, Senator Edwards.</p> <p>CHAIR: You are suggesting that it is political. I am just wondering.</p> <p>Senator Cormann: We will get back to you on notice later today.</p> <p>CHAIR: I would be very interested. Thank you very much.</p>	Spoken Page 28	6/05/2016	
49	310	1	Ketter		Negative Gearing	<p>Senator KETTER: Let us see how we go with it. Firstly, I have a question about whether there has been any modelling or analysis done on the impact of negative gearing?</p> <p>Mr Brennan: I would have to take that on notice.</p> <p>Senator KETTER: And if so when—at what time was that conducted? I also have some questions on the R&amp;D tax incentive and the impact of the changes to the corporate tax rate.</p> <p>Mr Brennan: I think some aspects of those questions could be handled by the Revenue Group, which is on later this afternoon. It might be worth, if there is a way that we can flag what questions you have on those two matters, we might be able to work out whether we need to take them on notice for macro or whether they can wait for revenue to appear.</p>	Spoken Page 28	6/05/2016	

	A	B	C	D	E	F	G	H	I
50	311	1	Ketter		Iron ore	<p>Senator KETTER: I might just run through a couple of these questions so people listening can take note of them and hopefully we can get responses this afternoon. Are there any temporary factors responsible for the current price returning to a long-term average? Have short-term supply disruptions driven iron ore prices higher? Does Treasury consider that the fundamental demand for iron ore will continue to sustain the current price? What guidance did the Treasurer's office give about the projections for commodity prices? What assumptions underpin the strong increase? I have a similar problem with respect to wage growth. There might be somebody here who can explain to me: when was the last time wage growth was this low in Australia? That would be a worthwhile thing to look at. I would also like further explanations as to why wages are growing so slowly. What is the impact of that sluggish wage growth on consumption? What is the long-term impact of low wage growth on consumption?</p>	Spoken page 29	6/05/2016	Answer provided on page 39
51	312	1	McAllister		Super & PPL	<p>Senator McALLISTER: I want to ask about the possibility of paying superannuation guarantee payments on paid parental leave. Was that one of the options under consideration as part of the policy development process?</p> <p>Senator Cormann: As you know, the budget process, the Expenditure Review Committee process and the process that put the tax package together that is in our plan for jobs and growth, is a cabinet level process, and you are going to have to rephrase your question.</p> <p>Senator McALLISTER: Does Treasury have any information about the impact of the superannuation guarantee on paid parental leave? Is there anything about the potential costs?</p> <p>Ms J Wilkinson: I am not sure what you are asking.</p> <p>Senator McALLISTER: I am interested in understanding whether you have information that you can share with the committee about what the impacts would be of introducing superannuation guarantee levy payments on paid parental leave.</p> <p>Ms J Wilkinson: I do not have that information with me. I am happy to take that question on notice.</p>	Spoken pages 31 & 32	6/05/2016	
52	313	1	McAllister		Roll over of the super concessional caps	<p>Senator McALLISTER: The budget paper says annual concessional caps can limit the ability of people with interrupted work patterns to accumulate superannuation balances. Do we have any evidence about how many people are presently affected by that limitation? How many people are presently nudging up against that \$25,000 a year cap—or the \$35,000 a year cap—and how many of them are women?</p> <p>Ms J Wilkinson: As the Treasurer announced with the package, we are expecting roughly three per cent of individuals to be affected by the contribution caps moving down to \$25,000.</p> <p>Senator McALLISTER: I am talking about the ability to roll over—</p> <p>Ms J Wilkinson: How many people are likely to benefit from the roll over?</p> <p>Senator McALLISTER: That's right.</p> <p>Ms J Wilkinson: Around 230,000 people could benefit from the roll over of the concessional caps.</p> <p>Senator McALLISTER: How was that arrived at?</p> <p>Ms J Wilkinson: That is an internal costing that we do. We look at ATO data. We have quite good data on member contributions. We make a best estimate as to how many people might meet the cap one year and not another year, and we make an estimate as to how many of those may come forward.</p> <p>Senator McALLISTER: So 230,000?</p> <p>Ms J Wilkinson: Yes, 230,000 is roughly the number of people we expect may be able to take advantage of this flexibility in 2018-19.</p> <p>Senator McALLISTER: Is there a gender analysis of that?</p> <p>Ms J Wilkinson: I am not aware that we have done a gender analysis of that measure.</p> <p>Senator McALLISTER: So 230,000 people might be able to take advantage of an opportunity to put more than \$25,000 a year into their super?</p> <p>Ms J Wilkinson: It is not quite that. I guess the way to think about it is that the annual concessional caps still hold. The annual concessional caps are \$25,000. If in the first year, in 2017-18, you only make concessional contributions of \$15,000 then you have the ability in the following year to contribute \$35,000. So you are rolling over the unused amount of the cap.</p> <p>Senator McALLISTER: But from the analysis you did we do not know whether it is men or women who are in that position?</p> <p>Ms J Wilkinson: I am not aware that we have done gender analysis on that. I am very happy to take that on notice.</p>	Spoken pages 32 & 33	6/05/2016	
53	314	1	McAllister		Retirement Income Balance over \$1.6 million	<p>Senator McALLISTER: I think that would be useful. The measure is very clearly being sold as a measure to benefit women. I am interested to know how many women are in a position to put in even \$25,000, let alone more, particularly if they are a person who is experiencing interrupted work patterns. I would be very interested to understand whether your analysis produces a large number of women in that position. Can I ask about the \$1.6 million cap. You may have already answered this morning—sorry, I did not note it down—but how many Australians have retirement income balances of over \$1.6 million?</p> <p>Ms J Wilkinson: We expect that less than one per cent would be affected by this measure.</p> <p>Senator McALLISTER: What proportion of those are in the accumulation phase and what proportion are in the drawdown phase?</p> <p>Ms J Wilkinson: I do not have that breakdown with me. I am happy to take that on notice.</p>	Spoken page 33	6/05/2016	

	A	B	C	D	E	F	G	H	I
54	315	1	McAllister		Tobacco Excise	<p>Senator McALLISTER: You said you commenced this work earlier this year. Was that at the direction of the minister's office? The Treasurer's office?</p> <p>Ms Horvat: I am not trying not to be helpful, but I actually could not tell you. As my secretary outlined earlier today, we have costed over 500 policies within my division. So to keep track of each and every one—I just cannot tell you. I am happy to take it on notice.</p>	Spoken page 42	6/05/2016	
55	316	1	McAllister		Tobacco Excise	<p>Senator McALLISTER: What is the revenue impact, say, at the extremes of that range for the 12.5 per cent over a year for four years measure?</p> <p>Mr Brake: I think we will need to take that on notice.</p> <p>Senator WONG: Are you able to give us a ballpark? I am trying to get some sense of how much that drives the revenue model.</p> <p>Mr Brake: I think we will need to take that on notice.</p> <p>Senator WONG: Are we talking tens of millions, or hundreds of millions, or more? Just an order of magnitude.</p> <p>Mr Maloney: I would prefer to take it on notice.</p>	Spoken page 45	6/05/2016	
56	317	1	Wong		Company tax rate	<p>Senator WONG: Did anybody at the table know about this ahead of time? What about Mr Brennan—did he know ahead of time?</p> <p>Mr Brake: Mr Brennan? Michael Brennan? Not that I am aware of.</p> <p>Senator WONG: The secretary?</p> <p>Senator Cormann: We might have to take that on notice, given they are not here. I think it is fair to assume that nobody in Treasury would have been involved in this leak, but who knows? Who knows where Laurie Oakes's sources come from?</p>	Spoken page 46	6/05/2016	
57	318	1	Wong		Leaked document	<p>Senator WONG: Sorry, I will withdraw that question. Can you tell me why you have not initiated any investigation about nor referred to the AFP the leaking of a document which is headed 'PROTECTED Sensitive: Cabinet'?</p> <p>Mr Brake: I think that would normally be a matter for the secretary to make a decision about.</p> <p>Senator WONG: It is a good way to—</p> <p>Senator Cormann: I think it is fair. Under the standing orders, any officer appearing in estimates is always entitled to refer a matter to a senior officer or to the minister.</p> <p>Senator WONG: He is. That is fine.</p> <p>Senator Cormann: We are taking that on notice. I will ask whether the secretary to the Treasury has anything to add to the evidence by Mr Brake.</p>	Spoken page 47	6/05/2016	
58	319	1	Wong		Leaked Document - Politicising the APS	<p>Senator WONG: Would you also ask the secretary to consider the question of whether he has a concern that the leaking of such a document and the provision of a Treasury costing which has been confirmed today in the lead-up to a budget and an election risks politicising the APS and his department?</p> <p>Senator Cormann: I will take it on notice—</p>	Spoken page 47	6/05/2016	
59	320	1	Wong		Ten Year Enterprise Tax Plan - Year by Year Costs	<p>Senator WONG: Can you give me the year-by-year costs?</p> <p>Mr Brake: We are not authorised by the Treasurer to provide that information.</p> <p>Senator Cormann: I will take it on notice. We will see whether we can add some more information.</p> <p>Mr Brake: He said he was not authorised. Why don't you give him a call, and if you want to release it, go ahead? You have a few hours left. We can do that.</p> <p>Senator Cormann: I have taken it on notice.</p> <p>Senator WONG: We all know that you will never come back on it before an election, so if you really want to be transparent, why don't you just get them authorised?</p> <p>Senator Cormann: I have taken it on notice.</p>	Spoken page 48	6/05/2016	
60	321	1	Wong		Ten Year Enterprise Tax Plan - Costing for 2026-27	<p>Mr Brake: The costings include the effect of the change in the company tax rate, which changes franking credit, which changes the amount of personal tax paid.</p> <p>Senator Cormann: So the answer is yes.</p> <p>Mr Brake: The phasing is such that by 2023-24 all companies have a 27.5 per cent company tax rate, and then it goes 27, 26, 25.</p> <p>Senator WONG: Does it include the effect of the 25 per cent rate for all companies in the 2026-27 year?</p> <p>Mr Brake: Yes.</p> <p>Senator WONG: What is the costing for that year?</p> <p>Mr Brake: We will have to take that on notice.</p>	Spoken page 48	6/05/2016	

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61	322	1	Wong		Ten Year Enterprise Tax Plan - Date Costed	<p>Senator WONG: I think you may have answered this and I have momentarily forgotten—when was the 10-year cost of this measure first done?</p> <p>Mr Brake: I think I said earlier today that it was some weeks before the budget.</p> <p>Senator WONG: Was that the first occasion on which it was provided to the government?</p> <p>Senator Cormann: We might have to take the specific date on notice. You would not expect us off the top of our heads to remember precisely—</p> <p>Senator WONG: I assume you undertook a 10-year number as a result of a government request or a government decision.</p>	Spoken page 48	6/05/2016	
62	323	1	Wong	ATO	Ms Johanna Johnson	<p>Senator WONG: I only have one question: has the ATO received any representations, directly or indirectly, from Ms Bishop or her office in relation to Ms Johnson's tax matters?</p> <p>Mr Olesen: I think we would have to take that on notice.</p> <p>Senator WONG: Does anyone have any knowledge?</p> <p>Mr Mills: No. We have not seen anything.</p> <p>Senator WONG: What about from the Department of Foreign Affairs and Trade?</p> <p>Mr Olesen: Again, we would have to take that on notice.</p> <p>Senator WONG: Thank you.</p>	Spoken Page 53	6/05/2016	
63	324	1	Ketter		Gas exportation	<p>Senator KETTER: That means yes; okay. I now will jump around a bit and go to the petroleum resource rent tax. I have some questions about the forward estimates. We heard earlier about the impact which my home state is going to make on the bottom line with the LNG industry and that we will become the largest gas exporter by 2020. Could somebody explain why the projected PRRT revenue falls from \$1.87 billion in 2014-15 to \$800 million to 2019-20?</p> <p>Mr Brake: It is a significant fall, but that is consistent with lower Australian dollar oil prices. Since MYEFO, there has been a significant fall in Australian dollar oil prices and that is leading to that fall. The petroleum resource rent tax is historically a very volatile revenue head, because it is based on rent and because that, in itself, is a relatively volatile item to tax. We often see quite substantial fluctuations in the petroleum resource rent tax; it is one of the harder tax revenue heads to forecast.</p> <p>Senator KETTER: So you are saying it is the volatility in the oil price?</p> <p>Mr Brake: I think that is the major reason.</p> <p>Senator KETTER: How does that offset the volume rise in the gas that we are exporting?</p> <p>Mr Brake: I think a number of these projects—because of the way the PRRT works, you can build up credits against future tax. These projects can take a long time before they start paying PRRT, so you can get these long lags between when they enter production and when they start paying PRRT. That is sort of a general comment.</p> <p>Senator KETTER: But we will be the world's largest gas exporter by 2020.</p> <p>Mr Brake: If there is any further information, we can provide it for you, but I do not have any further information on this.</p> <p>Senator KETTER: Is there anybody else here who can?</p> <p>Ms Horvat: I do not have any further information with me either, sorry.</p> <p>CHAIR: Are you happy to provide it on notice?</p> <p>Mr Brake: Yes.</p>	Spoken Page 59	6/05/2016	
64	325	1	Edwards/ Ketter		Wine industry	<p>CHAIR: So broadly would it be represented by the industry's representation of the Australian wine industry, which I understand to be about 60 per cent in South Australia, with the balance made up of the other states?</p> <p>Ms Horvat: I would have to look at those figures and take that on notice.</p> <p>Senator KETTER: Perhaps you could take that on notice.</p>	Spoken page 62	6/05/2016	
65	326	1	Ketter		Wine industry - Notification of Budget Decision	<p>CHAIR: Was the industry calling for these changes? Continuing Senator Ketter's theme of questioning: if there was going to be a negative impact, you would think that the industry bodies, group, and growers and makers around Australia would be protesting on the front steps of Parliament House, if they did not like this. Did they actually come to you with this policy position?</p> <p>Mrs Purvis-Smith: There has been a lot of consultation with industry in the lead-up to the policy, including the consultative group last year that Treasury chaired. This measure does pick up some of the recommendations that they put forward. The wine industry has been looking at and asking for changes of some kind in the industry—that is correct. This measure picks up on some of those issues that the industry has raised.</p> <p>CHAIR: But it is pretty quiet, considering it is such a dramatic change. Is it fair to say that the industries—I have read the media since Tuesday night—have accepted this policy change with open arms?</p> <p>Mrs Purvis-Smith: I would not like to make a comment on how the industry is accepting it.</p> <p>Senator KETTER: I think I might have missed this before—and I think Senator Edwards knows much more about this than I do—but when did the industry find out about this budget decision? Did they get any advance notice about it?</p> <p>Mrs Purvis-Smith: I would have to take that on notice. I am not sure.</p>	Spoken page 62	6/05/2016	

	A	B	C	D	E	F	G	H	I
66	327	1	Ketter		Wine industry - Eligibility Criteria	<p>Senator KETTER: Did Treasury receive any industry feedback about the need for certainty before the 2016 crop was picked?</p> <p>Mrs Purvis-Smith: There has been a lot of consultation with industry on a range of things on what is happening in the industry, particularly around the rebate. There would have been consultation. I would have to take on notice whether that was one of the issues that they raised specifically.</p> <p>Senator KETTER: Is the eligibility criteria that we have settled on the same one that was consulted on in August of last year?</p> <p>Mrs Purvis-Smith: I would have to take that on notice. I think that there has been quite a lot of consultation over quite some time, and there might have been some different types of material and issues discussed. I do not know whether this is exactly the same as what was consulted on last year.</p>	Spoken page 62	6/05/2016	
67	328	1	Edwards	ASIC	CommInsure	<p>CHAIR: No worries. That is an awesome answer. I will move on from there now. Of the claims handling issues raised in the Four Corners program—I think everybody has seen it—were all of the policies sold directly by CommInsure?</p> <p>Mr Kell: I think several of them were provided through superannuation. I have not got the exact—</p> <p>CHAIR: They were not all with them. There were several other superannuation-sourced policies, weren't there?</p> <p>Mr Kell: I think the majority of the matters raised on the Four Corners program were life insurance through people's superannuation policies.</p> <p>CHAIR: Were any of them with HESTA?</p> <p>Mr Kell: I have not got that information off the top of my head. I will have to take that on notice, sorry.</p>	Spoken page 65	6/05/2016	
68	329	1	Edwards	ASIC	Life policies through Super funds	<p>CHAIR: Do we actually know how many life policies are held through super funds? Do we have any idea of that?</p> <p>Mr Saadat: We would, but we would have to take that on notice.</p> <p>CHAIR: If you would not mind.</p> <p>Mr Kell: We are happy to take that on notice.</p>	Spoken page 66	6/05/2016	
69	330	1	Bushby	ASIC	Metadata	<p>Senator BUSHBY: That is right—the industry funding the activities that are generated because of their activity. I have one question on a completely separate subject, and that is on your use of the metadata in the course of your enforcement activities. I am wondering, since the law went through requiring the retention of metadata, whether you have made use of metadata in enforcing the rules that you cover?</p> <p>Mr Medcraft: Good question.</p> <p>Mr Savundra: We continue to use the legislation, but I would prefer to give you a comprehensive answer. If I could take that on notice?</p> <p>Senator BUSHBY: That would be fine. If you could let us know how many instances?</p> <p>Mr Savundra: We do consistently use telecommunications and metadata as part of our investigations, as we did before.</p> <p>Senator BUSHBY: Do you report on the use of that? I know quite a few years ago I challenged ASIC about using some of its powers that it uses, which you now report. I am wondering whether you report on the use of metadata or how many times you access metadata as part of your enforcement?</p> <p>Mr Tanzer: We certainly reported on that at the time of the debates. You might remember that we had some public submissions to the inquiries into that bill. I cannot remember whether there is an ongoing reporting requirement, but we will certainly check on that.</p> <p>Senator BUSHBY: There are reporting requirements, but whether ASIC reports that as part of its activities—</p> <p>Mr Medcraft: It is an interesting discussion. I am sort of wondering whether it is a good thing that we tell people how often we use metadata.</p> <p>Senator BUSHBY: I think it is required to be reported in the overall sense.</p> <p>Mr Medcraft: Are we required to report publicly how often we use it?</p> <p>Mr Tanzer: I have an idea that we do actually report it in our annual report in one of the appendices, but I would rather check.</p> <p>Senator BUSHBY: I am interested in knowing the extent to which you do.</p> <p>Mr Medcraft: Why don't we take it on notice. We will take it on notice. I would be interested to hear.</p>	Spoken pages 70 & 71	6/05/2016	

	A	B	C	D	E	F	G	H	I
70	331	1	Wong		Sugar Industry	<p>Senator WONG: I want to ask about the Queensland legislation dealing with the sugar industry. I think I may have asked you about this before—I certainly asked questions in the trade portfolio. Can you tell me what, if anything, the Treasurer has done in relation to the Sugar Industry (Real Choice in Marketing) Amendment Act 2015.</p> <p>Mr McCullough: I apologise; I do not have the details of the developments with me. I will have to take that on notice.</p> <p>Senator WONG: Have you done anything? Have you personally been engaged in any discussions on this?</p> <p>Mr McCullough: No. I have had some passing conversation with officials but I have not had the personal involvement, so I will have to take that on notice.</p> <p>Senator WONG: Is anyone responsible for dealing with this? My recollection is the Queensland government wrote to the Treasurer. From memory, I think there has been evidence either at this estimates or the trade estimates that the Treasurer wrote back to the Queensland Treasurer.</p> <p>Mr McCullough: That matches my recollection, but, unfortunately—I apologise again—I have only been in this role for a couple of months and I do not have those details.</p> <p>Senator WONG: Fair enough, but does anyone else?</p> <p>Mr Lonsdale: We do not have the expert here with us.</p> <p>Senator WONG: Has the Deputy Prime Minister made any representations to the Treasurer in respect of this issue?</p> <p>Mr Lonsdale: We are happy to take the question on notice, but, as I said, we cannot add anything.</p>	Spoken 74-75	6/05/2016	
71	332	1	Wong		FDI	<p>Senator WONG: I thought I was quoting a 2014 and a 2015 figure. You said you have had a look at it. Has there been an increase, or a decline, in FDI flows to Australia over the last two years?</p> <p>Mr Donelly: The ABS data, which I think was released last week, indicates that FDI, in Australian dollar terms, has increased—there is a stock of FDI, which is not exactly the same as flow—from \$731 billion at the end of 2014 to \$797 billion at the end of 2015.</p> <p>Senator WONG: Can you give me some sense of the flow figures as well for the last few years—2013, 2014 and 2015?</p> <p>Mr Lonsdale: I do not think we have got those with us.</p> <p>Mr Donelly: No, I do not think so.</p>	Spoken Page 80	6/05/2016	
72	333	1	Ketter		Effects test	<p>Senator KETTER: Does Treasury have a view on the potential for discounting behaviour to be caught by an effects test?</p> <p>Mr Lonsdale: We might come back to you on that.</p>	Spoken Page 84	6/05/2016	
73	334	1	Wong		Ten Year Enterprise Tax Plan - Costings for Differing Timeframes	<p>Senator WONG: No, I want to come to that but can I just finish this point. Which were the costings that matured beyond the forwards? Did you undertake costings for time frames that differed from the forwards?</p> <p>Mr Brake: Is that within the Ten Year Enterprise Tax Plan?</p> <p>Senator WONG: Or more generally.</p> <p>Mr Brake: To give you a full list of that, I would probably need to take that on notice.</p> <p>Senator WONG: What about within the 10-year tax plan?</p> <p>Mr Brake: Even there, I do not have that information to hand.</p>	Spoken page 10		
74	335	1	Wong		Kidman Sale process	<p>Senator WONG: I get we can have an argument about whether or not you should give me the Samuel's report. It is the Friday before an election is called, so I probably do not feel like having that argument because you are probably not going to give it to me, but, surely, the terms of the inquiry is a reasonable request.</p> <p>Mr Lonsdale: I am happy to come back on that.</p> <p>Senator WONG: That is not going to happen, is it?</p> <p>Mr Lonsdale: The substance of it is as I have described to you.</p>	Spoken Page 77		
75	336	1	Wong		FIRB Screening Policy - Ministerial representations	<p>Senator WONG: Perhaps this is a question for the minister. Has the Deputy Prime Minister made any representations to the Treasurer in relation to this matter?</p> <p>Senator McGrath: I am not aware of any. I would have to take that on notice.</p> <p>Senator WONG: Mr Lonsdale, are you aware?</p> <p>Mr Lonsdale: I have not seen a letter with representations.</p> <p>Senator WONG: That is not what I asked.</p> <p>Mr Lonsdale: I am not aware of any.</p>	Spoken Page 79		