

**TREASURY PORTFOLIO**  
**Additional Estimates 2008–09 (February 2009)**

**Written Questions on Notice**

Q No	Senator	Agency	Question	Date answered	Date sent to Senator	Additional Information
<i>Economic stimulus package – ecological assessments</i>						
<b><u>AET-1</u></b>	Bob Brown	Treasury	<p>1. In his presentation to the Senate Inquiry on the stimulus package, the Treasury Secretary Ken Henry stated that, although he would like to, his department was unable to undertake ecological assessments of large scale economic policies due to lack of appropriate resources. What kind of resources may be required? How much would it cost? What kinds of advice would this allow you to give government?</p> <p>2. Does the Department of Environment, Heritage and the Arts not have these resources? If not, should it?</p>	23/04/2009	23/04/2009	
<i>Economic stimulus package – tax bonus</i>						
<b><u>AET-2</u></b>	Bob Brown	Treasury	Can the government rule out further implementation of unqualified tax bonuses, example the bonus in the recent stimulus package?	23/04/2009	23/04/2009	
<i>Foreign investment – Australia/China</i>						
<b><u>AET-3</u></b>	Bob Brown	Treasury	<p>1. Does China have the same foreign investment restrictions as Australia? If not, please detail.</p> <p>2. Will the proposed Australia–China Free Trade Agreement remove these differences?</p>	23/04/2009	23/04/2009	
<i>Insider trading – Fortescue</i>						
<b><u>AET-4</u></b>	Bob Brown	Treasury	<p>1. Regarding the rise in share price of Fortescue on Wednesday 18 February 2009 preceding an announcement of impending foreign investment in the company, what reason other than insider trading has the government discovered by way of an explanation?</p> <p>2. Does the government think that regulators have the resources and legislative power they need to adequately investigate insider trading?</p>	23/04/2009	23/04/2009	

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<b><i>Australian Business Investment Partnership</i></b>						
<b><u>AET-5</u></b>	Eggleston	Treasury	<p>1. Who first proposed the Commercial Property SPV; the major banks or the Government?</p> <p>2. Did Treasury receive any representations from foreign banks saying that they were looking to pull back from their Australian exposures?</p> <p>3. Did Treasury consult with the foreign banks before the SPV announcement?</p> <p>4. Did the foreign banks inform Treasury that they were looking to pull out?</p> <p>5. Could this encourage foreign banks to leave, by offering a price that is above market price</p> <p>6. I refer you to page 55 of the February 2009 RBA Statement on Monetary Policy which says:  “while there is a risk that some foreign lenders will scale back their Australian operations ... at this stage there is little sign of this, with most of the large foreign owned banks planning to maintain their lending activities in the Australian market”.  Do you disagree with the Reserve Bank’s assessment?</p> <p>7. What evidence does Treasury have for holding a different view to the RBA?</p> <p>8. Did Treasury consult with the RBA about the SPV proposal before the Prime Minister announced it?</p> <p>9. Did Treasury consult APRA about the SPV proposal before the announcement and if not, why not?</p> <p>10. What modeling did Treasury do to back up the Prime Minister's claim that the SPV would support around 50,000 construction jobs? Was the modeling even done by Treasury or was it done by consultants?</p> <p>11. When was Treasury asked to do the modeling; a week before the announcement, the day before or on the morning of the announcement itself?</p> <p>12. How was the calculation derived?</p> <p>13. Did the proposal – which involves potentially a \$30 billion Commonwealth Government exposure - go to Cabinet for approval?</p> <p>14. Who took the decision on such a large exposure?</p> <p>15. Were other Commonwealth Departments consulted; such as Finance? Did they provide any co-ordination comments on the proposal?</p> <p>16. Why was the advice of David Murray totally ignored; especially when Treasury lacks any genuine expertise and understanding of how banks work and the intricacies of the</p>	23/04/2009	23/04/2009	

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			<p>commercial property sector?</p> <p>17. Is David Murray still involved in this work, despite his opposition to it?</p> <p>18. Why did Treasury and the Prime Minister ignore the concerns of the banks regarding the exaggerated construction focus of this proposal?</p> <p>19. Can you tell us what proportion of projects to be financed by this facility are likely to involve construction projects as distinct from existing and tenanted commercial buildings?</p> <p>20. How is Treasury planning to be totally objective in assessing the various project proposals, especially given the dominant interests of the four major banks?</p> <p>21. What specific expertise does Treasury have on the commercial property sector? If Finance was not consulted why not, since it at least has an Asset Management Group?</p> <p>22. Will Treasury be engaging outside experts? If so can you guarantee that the expert will be selected using a fully transparent and competitive process?</p> <p>23. How much is this expected to cost the taxpayer?</p> <p>24. What is so special about commercial property? What about small business lending and consumer credit; are you planning another SPV for this?</p> <p>25. Why have the regional banks been excluded? Is it not the case that the regional banks - such as Suncorp - have significant exposures in the commercial property sector?</p> <p>26. What experience can you cite from around the world of attempts to prop up asset prices?</p> <p>27. If the Government's policy of artificially inflating commercial property prices above a market clearing level is successful, what are the implications for the market? (e.g.: unoccupied property, higher rents for tenants etc, encouragement of further construction leading to a bigger oversupply of commercial property).</p> <p>28. If it increases the construction of commercial property, what are the consequences for supply and valuations?</p> <p>29. If market clearing price is held up artificially, therefore excess supply, is it good use of limited capital to keep surplus capacity? If commercial prices fell, would tenants pay more or less?</p> <p>30. If commercial property is not propped up and some assets are sold, do they believe that the new purchasers will leave those assets idle?</p> <p>31. I note the press release by the Treasurer on the appointment of Ahmed Fahour from the National Australia Bank as the "interim" CEO of the Australian Investment Business Partnership. What process was undertaken to select Mr Fahour? Did the Treasury advertise</p>			

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			<p>the job? If so, how many applications were received? What were the selection criteria? Who was on the selection panel?</p> <p>32. How much will Mr Fahour be paid? Will the National Australia Bank continue to employ or pay Mr Fahour?</p> <p>33. How will the perceived conflict of interest in Mr Fahour's appointment be managed? Will he be required to divest himself of any shares or other interests in NAB for example?</p> <p>34. Will he have to recuse himself every time a decision needs to be made that will have a material affect on NAB or any of its competitors?</p> <p>35. Why did the Government decide to appoint a CEO before the legislation to establish RuddBank has been introduced; isn't this pre-empting Parliament?</p> <p>36. What would happen if Parliament decides to vote against the enabling legislation? Does Mr Fahour's contract have a compensation provision in this event?</p> <p>37. Does this appointment conform with the Government's guidelines for the appointment of public officials?</p> <p>38. Where will Mr Fahour be located?</p> <p>39. Will this be a full-time CEO position?</p> <p>40. How many employees will RuddBank have?</p> <p>41. How many branches will RuddBank have?</p>			
<b><i>AID/WATCH – charitable status (ATO)</i></b>						
<b><u>AET-6</u></b>	Bob Brown	ATO	<p>Following the ATO's attempts to remove charitable status from the non-government organisation AID/WATCH:</p> <p>1. Is the ATO taking it upon itself to apply a narrow legal definition of the types of activities a charitable organisation can undertake to get tax deductibility, or has it been asked to pursue a narrow definition by the government?</p> <p>2. If the ATO has made the decision without government direction, why is it pursuing a narrow definition of charitable activities rather than adopting the broader definition recommended in the 2001 Treasury inquiry into the Definition of Charities?</p> <p>3. If the Government has directed it to pursue a narrow legal definition, who in the Government has issued this direction?</p> <p>4. Were there any discussions between the ATO and Government about the AID/WATCH case before the ATO decided to launch a Federal Court appeal over the Administrative Appeals Tribunal decision in favour of AID/WATCH? Did the Government agree with the</p>	21/04/2009	21/04/2009	

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			ATO's decision to appeal the AAT decision? 5. Has the ATO identified any other NGOs which it believes should not have charitable status? If so, please list the names of these organisations.			
<b><i>AID/WATCH – charitable status (Treasury)</i></b>						
<b><u>AET-7</u></b>	Bob Brown	Treasury	<p>Following the Australian Taxation Office's attempts to remove charitable status from the non-government organisation AID/WATCH.</p> <p>1. Is the ATO taking it upon itself to apply a narrow legal definition of the types of activities a charitable organisation can undertake to get tax deductibility, or has Treasury asked it to pursue a narrow definition?</p> <p>2. If Treasury has directed the ATO, why is Treasury pursuing a narrow definition of charitable activities rather than adopting the broader definition recommended in the 2001 Treasury inquiry into the Definition of Charities?</p> <p>3. Were there any discussions between the ATO and Treasury about the AID/WATCH case before the ATO decided to launch a Federal Court appeal over the Administrative Appeals Tribunal decision in favour of AID/WATCH? Did Treasury agree with the ATO's decision to appeal the AAT decision? Do you agree with the ATO's decision?</p> <p>4. Has the government made any plans to amend the legislation to adopt a broader definition of charities as per the recommendations of the 2001 Treasury inquiry into the Definition of Charities?</p>	22/05/2009	25/05/2009	
<b><i>Paid paternity leave</i></b>						
<b><u>AET-8</u></b>	Eggleston	PC	<p>In the Productivity Commission's December release of "PC update" in the section discussing the soon to be released report on universal paid parental leave, you note that the government had indicated its intention to extend the right to request an additional 52 weeks of unpaid paternal leave through the National Employment Standards which could see people returning to employment after two years.</p> <p>1. Was the issues of unpaid paternal leave examined in any depth during the Commission's inquiries and if not, would it not have been appropriate to include it?</p> <p>2. Given the current economic downturn, what obligations will employers have to employees on paternity leave, under the proposed model, if there was a need to create redundancies within the workplace?</p> <p>3. What thought has the Productivity Commission given of the impact that absence of a worker from a workplace for two years will have on their productive capacity, particularly</p>	14/04/2009	14/04/2009	

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			in light of how fast technology is developing? 4. Two major issues which influence families' decisions on if or when to return to the workplace after childbirth are the issue of paid paternal leave and also the cost of child care. Which of these two factors did the Commission find carried greater weight?			
<b><i>Australia's fertility rate</i></b>						
<b><u>AET-9</u></b>	Eggleston	PC	In the Productivity Commission's Staff working paper on fertility rates in Australia the return to more acceptable rates of fertility was attributed in the main part to recuperation or in other words older women catching up on previously postponed births and secondly to anticipation of women bringing babies forward in response to good economic times. 1. With the current downturn, many older women who are contemplating childbirth are now making this decision against a backdrop of lowered superannuation values and for younger women, there is no longer economic security with which they can plan. To what degree does the Commission see this downturn affecting fertility rates?	14/04/2009	14/04/2009	
<b><i>Government drought support</i></b>						
<b><u>AET-10</u></b>	Eggleston	PC	The Productivity Commission released a draft inquiry report in October on the issue of Government Drought Support and it is due to put out its final report on the 27th of February. In that report you cover what support is provided to the 20% of farms that do receive support and you also outline how much they are getting. 1. In the overview of the draft report, figure 4 indicated that the average EC interest rate subsidy payments to recipients was above \$32,000 in 2007-08. Having studied support to farmers, what they use it for and how useful it is, how much of an impact will the \$950 stimulus payment have on the well being of farmers who receive the payment? 2. Having studied what farmers are using their current support payments for, what are they most likely to use their extra \$950 payment for? 3. Compared to the \$32,000+ in interest rate subsidies, the \$950 seems minute; will this payment have any impact on the productivity or viability of the farms that receive it?	15/04/2009	15/04/2009	
<b><i>Labor election promise to rate child care centres</i></b>						
<b><u>AET-11</u></b>	Eggleston	PC	Part of the Rudd Government's election platform was the promise that all child-care centres were to be rated from A to E. The objective of the election promise was to encourage centres to improve their services with the aim of improving their rating. The Government's own expert panel has warned that such a scheme could lead to fee rises and parents leaving	14/04/2009	14/04/2009	

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			<p>the workforce to care for their children rather than placing them in lower-ranked centres.</p> <ol style="list-style-type: none"> <li>1. Is there any evidence that simple rating systems improve efficiency?</li> <li>2. Has the Productivity Commission been invited to report on means to improve the quality of child care centres?</li> <li>3. Given the complex nature of the service provided by child care centres and the variety of ways the quality of their service can be measured, is there much merit in ranking centres in this way?</li> </ol>			
<b><i>Evidence based policy</i></b>						
<b><u>AET-12</u></b>	Eggleston	PC	<p>It was reported that during a speech to the Australian and New Zealand School of Government, Gary Banks raised some concerns that the Government's attempted use of evidence based policy.</p> <ol style="list-style-type: none"> <li>1. It would seem that the efficiency cuts made within the public sector to reduce government spending and consequently economic activity have led to job losses meaning that there is less capacity for departments to carry out the research needed for quality evidence based policy. Is this a fair observation?</li> <li>2. What is the flow through effect does this have on the quality of policy?</li> <li>3. Mr Banks' comments regarding the use of consultants raise the issue of costs, quality, and accountability, could you expand on this and discuss the dangers involved with the current government's use of consultants to formulate policy?</li> <li>4. Has the Government responded to Mr Banks' comments?</li> </ol>	14/04/2009	14/04/2009	
<b><i>SES positions within Treasury</i></b>						
<b><u>AET-13</u></b>	Humphries	Treasury	<p>How many SES positions were there in this department as at:</p> <ol style="list-style-type: none"> <li>a) 24 November 2007</li> <li>b) 26 February 2009</li> </ol>	14/04/2009	14/04/2009	
<b><i>Storm Index Fund</i></b>						
<b><u>AET-14</u></b>	Williams	ASIC	<ol style="list-style-type: none"> <li>1. In December 08, CGI unilaterally shut down the Storm Index Fund leaving many investors in negative equity, in other words, no way of recovering their losses. Investors were left with a Margin Loan Debt and a debt on their housing loan, as self funded retirees they can never repay these loans.</li> </ol> <p>Has ASIC examined the reason why the Index Fund was shut down, was it because of a</p>	22/05/2009	25/05/2009	

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			<p>system failure by CGI?</p> <p>2. Who authorised the shutting down of the Index Fund?</p> <p>3. Did the CGI /CBA do any sort of impact study regarding the consequences for Investors before the Index Fund was shut down leaving many Investors with negative equity?</p> <p>4. On 8/10/08 Storm advised Investors to convert to cash on a “blanket basis”. We understand this resulted in an investigation into Storm by ASIC. As a result of this investigation, Storm has claimed it was “gagged” by ASIC at a crucial time when markets were at their most volatile. Did ASIC Issue Section 19 on Storm? Did ASIC give instructions to gag Storm, if so what were the instructions?</p> <p>5. Was ASIC aware that Storm was telling Investors from Oct 08, they were gagged by ASIC , if they were, and ASIC had not gagged Storm, why didn’t they correct Storm?</p> <p>6. Following the investigation by ASIC from Oct 08, Storm was allegedly given a “Clean Bill of Health” by ASIC. How is it possible that Storm could have been give a “Clean Bill of Health” but within 8 weeks Storm appointed Administrators.</p> <p>7. ASIC has been wide sweeping powers to protect Investors from the very scenario Investors are now facing. The model used by Storm and the CBA appears to be inherently dangerous involving double leveraging for unsophisticated investors. ASIC appears to have been “Asleep at the Wheel”. What level of responsibility will ASIC assume for the debacle that has unfolded?</p> <p>8. Will ASIC be subject to compensation claims for it’ apparent lack of due diligence in both prudential examination of the Storm model and the lack of “Duty of Care” by the Banks, principally the CBA?</p> <p>9. If ASIC had insufficient powers and or resources to avert this financial disaster for thousands of investors, what powers and or resources does it need?</p>			
<b><i>Investigating unions</i></b>						
<b><u>AET-15</u></b>	Siewert	ACCC	What is the total cost of the Australian Competition and Consumer Commission in prosecuting and investigating unions?	15/04/2009	15/04/2009	
<b><i>ACCC vs Leahy Petroleum Pty Ltd</i></b>						
<b><u>AET-16</u></b>	Abetz	ACCC	In the Geelong petrol case (ACCC vs Leahy Petroleum Pty Ltd) Justice Gray of the Federal Court dismissed the ACCC’s Statement of Claim and awarded costs against the ACCC. In	15/04/2009	15/04/2009	



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			his judgment Justice Gray critically examined the evidence led by the ACCC and found it contradictory and wanting in terms of proving price fixing in the Geelong market. The ACCC did not appeal the decision. In the aftermath of this failure you have openly campaigned for changing the law so that convictions will be easier to get. Why should lower standards of proof be the outcome of a failure of the ACCC to make its case? Should the system be changed to improve the strike rate of the ACCC?			
<b><i>Breaches of the Trade Practices Act</i></b>						
<b><u>AET-17</u></b>	Abetz	ACCC	Does the ACCC have an established step by step process for investigating alleged breaches of the TPA and reaching a decision to prosecute an alleged breach? What is the step by step process? Has that step by step process ever been ignored or circumvented in any investigation and decision to prosecute?	23/04/2009	23/04/2009	
<b><i>Legal matters</i></b>						
<b><u>AET-18</u></b>	Abetz	ACCC	Does the ACCC conduct itself in legal matters as a Model Litigant as do other Commonwealth agencies? What is your understanding of the conduct required of a Model Litigant in terms of a defendant or defendants?	15/04/2009	15/04/2009	
<b><i>Criminal penalties for cartel behaviour</i></b>						
<b><u>AET-19</u></b>	Abetz	ACCC	Mr Graeme Samuel, as ACCC chairman, you have been actively lobbying for criminal penalties for proven cartel behaviour. What is your understanding of the level of proof required in a criminal prosecution versus a civil prosecution?	15/04/2009	15/04/2009	
<b><i>Possible criminal division</i></b>						
<b><u>AET-20</u></b>	Abetz	ACCC	As the experience and qualifications of the current ACCC workforce is heavily weighted towards civil prosecutions what additional staffing and costs will be added to bring the ACCC up to strength to handle criminal prosecutions? Would you establish a Criminal Division of the ACCC or would a separate entity be better placed to handle criminal matters?	23/04/2009	23/04/2009	
<b><i>Recordkeeping</i></b>						
<b><u>AET-21</u></b>	Abetz	ACCC	1. Does the ACCC meet the records keeping standards promulgated by the Australian archives? Does the ACCC retain ownership of records held externally by subcontracted companies such as Auscript? Does the ACCC require subcontracted companies such as Auscript to retain records of interviews, both hard copies and voice recordings for the	15/04/2009	15/04/2009	

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			<p>periods of time required of Commonwealth agencies?</p> <p>2. Does the ACCC and its contracted service providers such as Auscript maintain records of all document disposals? In light of the ACCC's desire to expand criminal penalties what steps will be taken to raise the standards of record keeping including the disposal of records within the ACCC?</p>			
<b><i>Cartel conduct</i></b>						
<b><u>AET-22</u></b>	Fierravanti-Wells	ACCC	<p>1. In the Assistant Treasurer's second reading speech for the Cartel Conduct and Other Measures Bill 2008, he refers to the former government ignoring "fifteen separate warnings from the ACCC on the need for reforms that would see jail terms introduced for company executives who are involved in cartel conduct."</p> <p>(a) Please provide details of each of these warnings, including the date and the circumstances of each of the said warnings, who gave each of the warnings? Did they involve advice as to how the Trade Practices Act should be amended?</p> <p>(b) Were they given publicly or privately and what form did they take?</p> <p>(c) When were they made, in particular before or after the civil prosecution of Visy for breaches of the Trade Practices Act?</p> <p>(d) What section of the Trade Practices Act empowered the ACCC and Mr Samuel as its Chairman to give such warnings to the government of the day?</p> <p>(e) Do you believe that Mr Samuel's actions and that of the ACCC in respect of the public campaign to criminalise cartel behaviour reflected adversely on the ACCC's decision not to prosecute Amcor or its officers for the same alleged breaches of the Trade Practices Act as Visy?</p> <p>2. In the previous Senate Estimates I asked the following question on notice:  "Pursuant to what legislative powers is the Chairman of the ACCC undertaking a public campaign to criminalise cartel behaviour?"  The response was as follows:  "The ACCC has a statutory function of providing information to the public pursuant to section 28 of the Act"  Where in section 28 does it makes reference to and /or specifically empowers and requires the Chairman and the ACCC to run public campaigns to lobby for the criminalisation of certain behaviour as a way of providing information to the public?</p> <p>3. As a matter of public policy, is it considered vital that the ACCC abides by its own</p>	23/04/2009	23/04/2009	

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			<p>assurances or representations made to those organisations and individuals with which it litigates?</p> <p>4. ASIC's recent decision to ask the Supreme Court to postpone civil proceedings against former Australian Wheat Board executives because of the prospect of criminal action which seems to highlight the difficulty for regulators of having both civil and criminal powers. How does the ACCC propose to deal with such issues if it is successful in its public campaign to incorporate criminal sanctions in the Trade Practices Act?</p> <p>5. I note that the recent air freight cartel for which Qantas was fined \$20 million involved a large number of airlines in many jurisdictions, many of which already have criminal sanctions for cartel behaviour. Considering that criminal sanctions failed to act as a deterrent and did not stop that cartel, why does that the ACCC need criminal sanctions in Australia?</p> <p>6. What actions are being undertaken by the ACCC to ensure that small retail operators are not being exploited by large shopping centre corporations?</p> <p>7. In relation to Section 51AC of the Trade Practices Act relating to retail leasing:</p> <p>(a) How many unconscionable conduct complaints has the ACCC received in relation to retail leasing since the last Estimates hearing?</p> <p>(b) How many unconscionable conduct complaints has the ACCC received in relation to retail leasing during each of the financial years 2006-2007 and 2007-08?</p> <p>(c) How many of the complaints referred to in (a) and (b) above been investigated in depth?</p> <p>8. Has the ACCC taken any unconscionable conduct cases involving retail leasing to Court in this financial year and in each of 2006-2007 and 2007-2008?</p>			
<b><i>Choice and the Grocerychoice website</i></b>						
<b><u>AET-23</u></b>	Fierravanti-Wells	ACCC	<p>1. Given that responsibility for Grocery Choice has been formally handed over to the consumer advocacy group Choice. When originally flagging the possibility of Choice taking on the responsibility for Grocery Choice, the Assistant Treasurer said that the ACCC:</p> <p>"as regulator had been hampered by constraints on how much information it could provide consumers on their website"</p> <p>(a) What advice had the ACCC provided in relation to the Assistant Treasurers Comments?</p> <p>(b) Why is the ACCC is no longer responsible for Grocery Choice?</p>	15/04/2009	15/04/2009	

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			<p>(c) did the ACCC advise the government that it was not equipped to operate and manage the Grocery Choice website project when the concept was originally raised with the ACCC?</p> <p>(d) What discussions did the ACCC have with the Minister or officers from his Department as to the inability of the ACCC to perform the Grocery Choice role and when did these occur?</p> <p>2. I note that the former CEO of Choice, Mr Peter Kell was appointed as a Deputy Commissioner of the ACCC in July 2008. Given the appointment of Choice to the Grocery Watch role:</p> <p>(a) Did Mr Kell have any involvement in the decision of the ACCC to cease its involvement in operating Grocery Choice and to engage Choice for this role?</p> <p>(b) What role did Mr Samuels play in the appointment of Mr Kell to the role of Deputy Commissioner?</p> <p>3. What discussion did Mr Samuels or any other ACCC officer have with Mr Kell, the Minister or officers from his Department in respect to the appointment of Choice to oversee Grocery Choice?</p>			
<b><i>Criminal prosecution of Mr Richard Pratt</i></b>						
<b><u>AET-24</u></b>	Fierravanti-Wells	ACCC	<p>1. In the previous Senate Estimates I asked the following question on notice - How much has been expended to date in investigating, preparing and furthering the criminal prosecution of Richard Pratt and how much had been budgeted for future expenditures in pursuing the matter?</p> <p>The response was as follows:</p> <p>"By the end of October 2008 the ACCC had expended approximately \$190,000 in legal costs associated with the matter. Forward legal estimates are reviewed and provided for on an ongoing basis"</p> <p>(a) What is the updated figure for the legal costs associated with the matter, up to and including the end of January 2009? How much is budgeted for future expenditures related to this particular case?</p> <p>(b) If you are unable to provide a budget, could you advise whether it is standard practice for the ACCC to prepare budgets for prosecutions it undertakes?</p> <p>(c) Please provide details of the legal expenditure of the ACCC in each of the last 10 years?</p> <p>2. What are the processes in place at the ACCC to ensure that it meets the expectation of</p>	23/04/2009	23/04/2009	

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			<p>the community that it behaves at all times as a model litigant? Without commenting on the legal issues in the Pratt criminal prosecution or referring to legal advice obtained about the case, why did the Chairman not attend the Court and give evidence to diffuse the allegations that the Chairman and the ACCC had acted improperly in their earlier dealings with the defendant?</p> <p>(a) Did the ACCC lawyers expect that the Pratt legal team would run the defences offered? If so, what facts and circumstances did the ACCC rely upon to have that expectation.</p> <p>(b) How did the FOI officer of the ACCC locate documents after the ACCC chief legal officer had sworn that they did not exist? What searches were undertaken by the ACCC to ascertain the existence of those documents?</p> <p>(c) Has the ACCC chief legal officer explained these events and his conduct to the court?</p> <p>(d) Has the ACCC complied with all of its disclosure obligations in the Pratt matter?</p> <p>3. Has the ACCC acted inconsistently with assurances and promises given to Mr Pratt in the civil penalty proceeding?</p> <p>4. Officers of the ACCC informed the Federal Court in the Pratt proceedings that they did not have a lot of understanding of the criminal law. Is the ACCC concerned that it may have erred in not pursuing the criminal prosecution of Mr Pratt before commencing the civil prosecution of Visy?</p>			
<b><i>Mandatory Horticulture Code</i></b>						
<b><u>AET-25</u></b>	Fierravanti-Wells	ACCC	<p>In relation to the Mandatory Horticulture Code:</p> <p>(a) How many complaints regarding alleged breaches of the Mandatory Horticulture Code of Conduct has the ACCC received since the last Estimates hearing?</p> <p>(b) How many of these have been investigated in some depth?</p> <p>(c) Has the ACCC taken any breaches of Mandatory Horticulture Code to Court in this financial year and in 2007-2008?</p>	15/04/2009	15/04/2009	
<b><i>Medical Expenses Tax Offset</i></b>						
<b><u>AET-26</u></b>	Siewert	Treasury	With regard to the medical expenses tax offset why is the amount the same for individuals, couples and families?	14/04/2009	14/04/2009	
<b><i>National Health Care Agreement</i></b>						
<b><u>AET-27</u></b>	Boyce	Treasury	1. a) For each year over the next 5 years, how much additional funding will the Commonwealth Government be providing for this package over and above what was	23/04/2009	23/04/2009	

Q No	Senator	Agency	Question	Date answered	Date sent to Senator	Additional Information
			<p>already in the forward estimates for the Australian Health Care Agreements over the same period? (Including both the published forward estimates and any amount budgeted for in the contingency reserve for future health care agreement funding over this period)</p> <p>b) For each measure in the package what is the year by year funding breakdown over the next five years?</p> <p>2. In terms of the indexation arrangements under the new national health care agreements, please:</p> <p>a) Provide details of what the individual indexation components of the new 7.3% annual index are, including what the individual indexation components are in this new index to represent population increase, cost increase and volume growth as well as any other indexation factors that have been included in this new composite index.</p> <p>b) Provide an outline of the difference between the indexation factors applied to the general component of the base health care grant in schedule G of the Australian Health Care Agreements 2003-08 and the indexation factors to be applied to the new national health care agreement announced by the Commonwealth in November 2008.</p> <p>c) Provide details of each component in the index of the new national health care agreement announced by the Commonwealth in November 2008, including details of how much it differs from the same component in the base health care grant in schedule G of the Australian Health Care Agreements 2003-08.</p> <p>d) Provide a further explanation of the composition and calculation of WCII or whatever wage/cost index has replaced WCII under the new agreements if that is the case (including the component indices and the weights attached to them).</p>			
<b>Foreign exchange</b>						
<b><u>AET-28</u></b>	Johnston	Treasury	<p>1. What assumptions are used to determine the fluctuations in foreign exchange?</p> <p>2. What is the base rate that you have determined for 2008-09?</p>	14/04/2009	14/04/2009	Transfer from the Defence portfolio (25 February 2009, Proof Hansard, FAD&T 34)
<b>Unemployment levels</b>						
<b><u>AET-29</u></b>	Abetz	ABS	<b>Senator ABETZ</b> —Can I tell you the Treasury department and other departments can tell us that they anticipate a growth in the unemployment level. They do not have any	14/04/2009	14/04/2009	Transfer from the

Q No	Senator	Agency	Question	Date answered	Date sent to Senator	Additional Information
			<p>difficulty. I just thought that this department might be able to indicate whether they think they might be part of that unfortunate growth in the unemployment level, but you say you are not and I accept that and we will move on. Which sector of the Australian economy has suffered the most job losses since November 2007?</p> <p><b>Senator Carr</b>—I do not have a number to hand on that.</p> <p><b>Senator ABETZ</b>—Could you could take that on notice, if yours is the right department to ask that question?</p> <p><b>Senator Carr</b>—In terms of the compilation of numbers it is the Treasury portfolio and the ABS who were here earlier today I think, but we are happy—</p> <p><b>Senator ABETZ</b>—If the department would be as kind as to flick that through to Treasury I would be much obliged.</p>			Innovation, Industry, Science and Research portfolio (26 February 2009, Proof Hansard, E79)
<b>Funding for education</b>						
<b>AET-30</b>	Milne	Treasury	<p><b>Senator MILNE</b>—Is there any requirement that the states maintain their level of commitment to education, or can they just downsize to take advantage of the increase in Commonwealth funding and therefore not increase overall education funding?</p> <p><b>Dr Nicoll</b>—With an outcomes approach they will not be able to achieve outcomes or targets they have signed up to without a considerable continuance of the investment that they have made in education.</p> <p><b>Senator MILNE</b>—That being the case, what happens when they do not meet their targets? This is nothing to do with what we are talking about, but Tasmania has a \$130-million shortfall in GST revenue and a \$200- million black hole in its income stream. The whole public service is now on notice. They are going to try to shield education, health, police and another area from that, but the rest of the public service will take a big hit. My concern is that we have locked in four years of funding for non-government schools and they will be able to maintain their funding. However, if the states cost shift and take advantage of the increased Commonwealth funding and reduce their own inputs, the gap between non-government and government schools will widen, particularly in terms of staff.</p> <p><b>Ms Paul</b>—Of course, the COAG Reform Council will hold them to account as well. What states have signed up to is that the outcomes will be measured by the COAG Reform Council. I think there is quite a bit of pressure to meet the outcomes across every state. I am not denying that states have budgetary pressures.</p> <p><b>Senator MILNE</b>—When you say that there will be pressure to meet the outcomes, what sort of pressure do you mean? We have just heard that there are no enforcement or penalty provisions or whatever. What sort of enforcement will be involved if they fail to meet the outcomes? What will happen to them?</p>	23/04/2009	23/04/2009	Transfer from the Education, Employment and Workplace Relations portfolio (25 February 2009, Proof Hansard, EEWR 58)

Q No	Senator	Agency	Question	Date answered	Date sent to Senator	Additional Information
			<p><b>Ms Paul</b>—We can provide more information. However, as I understand it, under this COAG global approach to financial relations reform, any action required will be taken via COAG.</p> <p>These things now all rest not just between us and the states, of course, but between the premiers and the Prime Minister. It has all been elevated to COAG. We can probably get some more information on that question. I think it is will be a global answer and not just in regard to schools but to all of those—</p>			
<b><i>Tobacco tax</i></b>						
<b><u>AET-31</u></b>	Xenophon	Treasury	<p>When was the last increase on tobacco tax (other than CPI)?</p> <p>Given that increased prices leads to reduced consumption and take up by minors, is the government planning any increases in tobacco tax and, if so, what is the timeframe for those increases?</p> <p>Given that smoking is the leading preventable risk factor in terms of health related issues, would the government consider spending a proportion of any additional revenue raised through any increased tobacco tax on a national preventative health strategy aimed at reducing the incidence of smoking, particularly among minors, and chronic diseases caused by tobacco?</p>	02/06/2009	02/06/2009	
<b><u>AET-32 to AET-74</u></b> see oral questions on notice below						
<b><i>Mortgage providers</i></b>						
<b><u>AET-75</u></b>	Payne	Treasury	<ol style="list-style-type: none"> <li>1. Have there been any discussions with Australian home mortgage providers regarding possible transfer of control from their private ownership to the Australian Government?</li> <li>2. Have any discussions arisen with Australian home mortgage providers regarding their liquidity as a consequence of the action by the United States Administration in September 2008 to place Fannie Mae and Freddie Mac under government control, with government-appointed chief executives?</li> <li>3. Does the department have concern over the liquidity during the next 12 months of any Australian home mortgage provider? If so, can the department name those providers?</li> <li>4. Is the department in dialogue with FaHCSIA and/or Department of Finance and Deregulation to monitor the liquidity of home mortgage providers in Australia?</li> <li>5. Is there any evidence available to Treasury that home lending in Australia has tightened?</li> </ol>	23/04/2009	23/04/2009	



Q No	Senator	Agency	Question	Date answered	Date sent to Senator	Additional Information
			<p>6. Is the Department aware of any trend towards lending a lesser proportion of the total value of the property to be mortgaged? That is, are financiers now lending say 80 or 85% of the property valuation where a year ago they might have lent 100% of the purchase price, or even 100% plus conveyancing costs? If such a trend towards more restricted lending practices is evident, why is it occurring?</p> <p>7. Has the department questioned mortgage providers when they have failed to pass on the full benefit of Reserve Bank cuts in cash rates to those Australians who have variable rate home loans? If so, what were the responses to the Government from those lenders?</p>			
<p><b><u>AET-76 to AET-92</u></b> see oral questions on notice below</p>						

**TREASURY PORTFOLIO**  
**Additional Estimates 2008–09 (February 2009)**

**Oral Questions on Notice**

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
<b><u>AET-1 to AET-31</u></b> see written questions on notice above								
<b><i>Nation Building and Jobs Plan – GDP and jobs estimate modelling</i></b>								
<b><u>AET-32</u></b>	Abetz/ Bushby	Treasury	25/02/2009	<p><b>Senator ABETZ</b>—I have got one more. Can we just confirm that the GDP and jobs estimate provided for the various government stimulus policies, the Economic Security Strategy, COAG Reform, the Nation Building and Jobs Plan and Australian Business Investment Partnership, were the result of computable, general equilibrium modelling?</p> <p><b>Dr Gruen</b>—I think we have answered this question on many occasions. I have tried my best to explain how those estimates were derived. They were derived using an estimate of the fiscal multiplier and then an estimate of by how much an increase in GDP would translate into jobs. That is not the output of a general equilibrium model. We used the output of our general equilibrium model as one of the pieces of information that we relied upon when coming up with those estimates. But at the end of the day the way to think about them is that we looked at the literature, and the literature suggests a fiscal multiplier of between a half and one, which I think we quoted in the MYEFO, then that an increase of one per cent of GDP would translate over time into up to 75,000 jobs. So the answer to your question is that the jobs estimates are based on our assessment of the fiscal multipliers and our assessment of how much an increase in GDP translates into jobs. They are not the</p>	E8	02/06/2009	02/06/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>direct output of a general equilibrium model, although a general equilibrium model was used as one of the inputs into these estimates.</p> <p><b>Senator BUSHBY</b>—Presumably you ran those simulation packages through the general equilibrium model. What output did that actually give?</p> <p><b>Dr Gruen</b>—We do a variety of experiments with our model. I can take it on notice. As I say, it is one of the things that we do. There seems to be a sense that these things are definitive.</p> <p><b>Senator BUSHBY</b>—I understand you are saying you had a look at the overall figure and then took a lot of things into account, some of which are scientific and are giving you results for a modelling would, which once again is still only an estimate of what is going to happen.</p> <p><b>Dr Gruen</b>—Absolutely.</p> <p><b>Senator BUSHBY</b>—But there are other things which were less tangible that you built into it from what you have read and so on. What I think Senator Abetz was asking, and certainly I am interested in, is if you did run the packages through a general equilibrium model, what were the results that came out of it.</p> <p><b>Dr Gruen</b>—Let me take that on notice. As I say, this is one of the things we do, but we do not treat it with the reverence that it seems to be treated with. The idea that we have this computer glowing in the corner and out of this computer comes these magic numbers—that is not how it works.</p>				
<i>Stimulus package – mathematical calculations</i>								
<u>AET-33</u>	Joyce	Treasury	25/02/2009	<p><b>Senator JOYCE</b>—You might want to take this on notice. Would you be able to table for us the mathematical calculations surrounding the stimulus package?</p> <p><b>Dr Gruen</b>—As in the jobs impact?</p> <p><b>Senator JOYCE</b>—Yes, in the various factors. The jobs impact would be absolutely of vital interest. Would you be able to table the mathematical calculations that surround that issue?</p> <p><b>Senator CAMERON</b>—Senator Abetz said the economic</p>	E9-E10	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>modelling on climate change was guff; can we get that as well?</p> <p><b>Senator JOYCE</b>—Dr Gruen, is that your answer?</p> <p><b>Senator ABETZ</b>—Chair, I did not say that. What I did say was that in answer to one specific question, I got 26 pages of guff that did not answer the specific question that I had asked.</p> <p><b>CHAIR</b>—Thank you, Senator Abetz. It points out the danger of us talking to us each other about interjections. I think Dr Gruen wanted to answer the question from Senator Joyce.</p> <p><b>Dr Gruen</b>—I think we have tried to lay out our thinking on how big the jobs impact is, but I am very happy to take the question on notice.</p> <p><b>Senator JOYCE</b>—The question on notice is that you will table the maths.</p> <p><b>Dr Gruen</b>—Well, that is the question, yes.</p>				
<i>Australian Business Investment Partnership – criteria</i>								
<u><b>AET-34</b></u>	Coonan	Treasury	25/02/2009	<p><b>Dr Henry</b>—It is true that the considerations that you are raising are important considerations, and those considerations were certainly covered in the development of the policy, but because the vehicle is to operate on a contingent basis—that is, where financing gaps emerge and then only where other rather strict criteria are satisfied—it is impossible for any of us at this point to make judgments about what proportion of the finance extended by this vehicle might turn out to be extended to cover financing gaps in existing commercial property, as opposed to cover financing gaps in commercial property developments that are only partially complete.</p> <p><b>Senator COONAN</b>—The criteria have not yet been settled? Is that right?</p> <p><b>Dr Henry</b>—No. I think the criteria have been settled.</p> <p><b>Senator COONAN</b>—All right. Could you just outline the criteria for me?</p> <p><b>Dr Henry</b>—I do not have those details in front of me. I will certainly take that question on notice.</p> <p><b>Senator COONAN</b>—All right.</p>	E31	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Dr Henry</b>—I thought they had been published, but I will take it on notice.</p> <p><b>Senator COONAN</b>—I do not have them in front of me, but they may be published.</p>				
<i>Australian Business Investment Partnership – foreign banks</i>								
<u><b>AET-35</b></u>	Coonan	Treasury	25/02/2009	<p><b>Senator COONAN</b>—Did Treasury receive any representations from foreign banks to the effect that they were looking to pull back from their Australian exposure prior to the announcement of this—</p> <p><b>Dr Henry</b>—I am sorry, Senator, I was consulting with one of my people. There has been considerable commentary that has suggested that there is a significant risk of one or more foreign bank participants in existing syndicated loan arrangements withdrawing from those syndicates.</p> <p><b>Senator COONAN</b>—The question was if they conveyed to Treasury. Sorry, you might not have heard the beginning.</p> <p><b>Dr Henry</b>—Certainly the concerns were conveyed to Treasury. Whether it was—</p> <p><b>Senator COONAN</b>—By the banks?</p> <p><b>Dr Henry</b>—the banks that were doing the communicating or whether it was other parties, I cannot be sure. I would, again, have to take that question on notice. But certainly financial institutions were communicating with the department on this matter and suggesting that there was a significant risk—particularly if global financial conditions were to deteriorate further—that some of the participants in existing syndicated loan arrangements might not roll over their financing as rollovers fell due.</p>	E31	20/04/2009	21/04/2009	
<i>Modelling that supports 50,000 construction jobs</i>								
<u><b>AET-36</b></u>	Coonan	Treasury	25/02/2009	<p><b>Senator COONAN</b>—What was the modelling that supports 50,000 construction jobs?</p> <p><b>Mr Morling</b>—The modelling is basically mapping changes in activity historically to what has happened with employment.</p>	E34	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>There are roughly 150,000 people employed in the commercial property sector. Typically in historical downturns, the activity decreases by about 30 per cent so that would give you a number around 50,000. It may be a little bit less this time because the extent of the downturn in our forecast is less than some of the major ones that we have benchmarked it against. Having said that, the prospect of tighter financial conditions in the past could exacerbate that.</p> <p><b>Senator COONAN</b>—When was the modelling actually carried out?</p> <p><b>Mr Morling</b>—I am not sure of the exact date, but it would have been in mid-January, approximately.</p> <p><b>Senator COONAN</b>—When in relation to the date of the announcement? Could you take that on notice?</p> <p><b>Mr Morling</b>—We can, yes.</p> <p><b>Senator COONAN</b>—Was the modelling done by Treasury or by consultants?</p> <p><b>Mr Morling</b>—This was just internal Treasury work looking at our historical relationships.</p> <p><b>Senator COONAN</b>—Was this the subject of a cabinet submission?</p> <p><b>Senator Conroy</b>—That goes to discussion of internal processes. I am not sure—</p> <p><b>Senator COONAN</b>—Internal process is not policy, at least it was not in my day. Maybe it has morphed into something different.</p> <p><b>Senator Conroy</b>—Maybe we have a more rigorous process than you had previously.</p> <p><b>Senator COONAN</b>—Come on, Senator Conroy.</p> <p><b>Senator Conroy</b>—I am happy to take that on notice to see if there is any information we can provide you.</p>				
<i>AAA rating</i>								
<b>AET-37</b>	Joyce	Treasury	25/02/2009	<b>Senator JOYCE</b> —In the current market, Dr Henry, what	E36	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>would you see as the sort of premium that would exist between a AAA rating and a AA rating in the interest it costs?</p> <p><b>Dr Henry</b>—I do not have today's figures in front of me. This is something that moves almost every minute of every day. I do not know if somebody has today's financial market report. No, we do not have the spreads. I will have to take that question on notice.</p> <p><b>Senator JOYCE</b>—It is not a trick question.</p>				
<i>Stimulus package – \$900 payment</i>								
<u><b>AET-38</b></u>	Joyce	Treasury	25/02/2009	<p><b>Senator JOYCE</b>—Let us go to something that is not hypothetical. How many people will be receiving your \$900 payment?</p> <p><b>Senator Conroy</b>—I thought we took it on notice. Sorry, we took it for the Revenue Group.</p> <p><b>Senator JOYCE</b>—You might be able to answer this question: how will you identify those people who will receive that payment?</p> <p><b>Senator Conroy</b>—I am sure the Revenue Group will be able to assist us with that later today. I am not trying to avoid the question. You are asking it in the wrong session.</p>	E37	23/04/2009	23/04/2009	
<i>OzCar</i>								
<u><b>AET-39</b></u>	Abetz	Treasury	25/02/2009	<p><b>Mr Grech</b>—At the present time the car dealer SPV, known as Ozcar. I cannot claim to have given the vehicle that name.</p> <p><b>Senator ABETZ</b>—Can you take on notice who takes responsibility for that?</p> <p><b>Mr Grech</b>—We will move on.</p> <p><b>Senator CAMERON</b>—Was it the same one who invented Work Choices?</p> <p><b>Senator ABETZ</b>—Or Fuelwatch?</p> <p><b>Mr Grech</b>—I will not comment on that. The bottom line is that Ozcar, the SPV, was legally established on 2 January this year.</p>	E49-E50	14/04/2009	14/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
<i>Liberty Financial</i>								
<u>AET-40</u>	Abetz	Treasury	25/02/2009	<p><b>Senator ABETZ</b>—Just briefly, where does Liberty Financial come into this again?</p> <p><b>Mr Grech</b>—Liberty Financial is going to be the financial servicer for the SPV.</p> <p><b>Senator ABETZ</b>—It will be Liberty Financial trading as Ozcar?</p> <p><b>Mr Grech</b>—Liberty Financial is one of the service providers that will support the trustee.</p> <p><b>Senator ABETZ</b>—Sorry, one of the service providers?</p> <p><b>Mr Grech</b>—Yes, one of the service providers.</p> <p><b>Senator ABETZ</b>—Who are the others?</p> <p><b>Mr Grech</b>—There are about half a dozen.</p> <p><b>Senator ABETZ</b>—Can you take that on notice and provide us with that list?</p> <p><b>Mr Grech</b>—Of course.</p> <p><b>Senator Sherry</b>—Perhaps if we provide the name and the form of service that they are providing.</p> <p><b>Senator ABETZ</b>—Thank you. That would be very helpful.</p>	E52	15/04/2009	15/04/2009	
<i>SPV legislation</i>								
<u>AET-41</u>	Abetz	Treasury	25/02/2009	<p><b>Senator Sherry</b>—Just before we go on, there are a couple of points that we can take on notice. Firstly, when we identify the 30 to 40 entities that would draw down, we would then be in a position to ascertain the number of jobs, for obvious reasons: we can look at the number of employees. I am happy to take that on notice. Secondly, when the interest rate is struck I am happy to take that on notice and provide it to the committee. I am also willing to go further. I believe it would not be too much for Treasury to give a list of the leading lenders and the rates they are lending in the market as a comparator against the rate when it is struck. We will provide that on notice to you.</p> <p><b>Senator ABETZ</b>—Can you also tell me when legislation is going to be prepared?</p>	E58	23/04/2009	23/04/2009	



Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Senator Sherry</b>—As soon as the legislation is ready to be introduced into the parliament I will inform the committee and I will personally ensure my office informs you.</p> <p><b>Senator ABETZ</b>—You are most kind. I thank my colleagues for their forbearance in that.</p>				
<b><i>Rio Tinto Board – number of directors</i></b>								
<b><u>AET-42</u></b>	Eggleston	Treasury	25/02/2009	<p><b>Senator EGGLESTON</b>—...Do we know how many directors on the Rio board are Australian?</p> <p><b>Mr Colmer</b>—I believe there are two out of 15, but I am not sure of the total number.</p> <p><b>Senator Sherry</b>—We could take that on notice.</p> <p><b>Senator EGGLESTON</b>—Perhaps you can take that on notice.</p>	E60	14/04/2009	14/04/2009	
<b><i>Recommendation of disallowed takeover proposals</i></b>								
<b><u>AET-43</u></b>	Coonan	Treasury	25/02/2009	<p><b>Senator COONAN</b>—As a matter of record how often has Treasury—and I do not mean for this government but for any government—recommended that a takeover proposal be blocked or disallowed?</p> <p><b>Mr Colmer</b>—I suspect you might be referring to some recent newspaper coverage.</p> <p><b>Senator COONAN</b>—I am just genuinely interested. There is a lot of interest in this issue. Given that it is obviously a matter ultimately for the Treasurer, we all understand that.</p> <p><b>Senator Sherry</b>—I think we could take it on notice. It may fall within advice to government, but we will take it on notice. There is some historical data—</p> <p><b>Senator COONAN</b>—I am not referring to it as a specific decision to government but as a historical record.</p> <p><b>Senator Sherry</b>—Yes, I understand.</p>	E61	23/04/2009	23/04/2009	
<b><i>Short selling bill</i></b>								
<b><u>AET-44</u></b>	Eggleston	Treasury	25/02/2009	<p><b>Senator EGGLESTON</b>—My question on notice is about the short-selling bill which passed through parliament last year and</p>	E62	15/04/2009	15/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>was an empty shell. Would Treasury be kind enough to tell us how regularly will short-selling positions should be disclosed; what kind of time lag will exist for disclosure; what form of presentation will be required; will stock tallies be presented on an aggregate or daily total basis, and what effect has the short-selling ban had on the liquidity, the volatility and price discovery on the Australian Stock Exchange?</p> <p><b>Senator Sherry</b>—We will take them on notice.</p>				
<b><i>First Home Owners Grant – number of applications</i></b>								
<b><u>AET-45</u></b>	Payne	Treasury	25/02/2009	<p><b>Senator PAYNE</b>—I want to ask some questions in relation to the First Home Owner Grant and the first home owner boost. Can the department advise the committee how many applications for the grant have been made since the announcement of the doubling and tripling of the grant in October last year?</p> <p><b>Mr Ray</b>—I think the data have been published by the Minister for Housing. The number is 29,489 up until the end of January.</p> <p><b>Senator PAYNE</b>—Can you give us a breakdown, not immediately but on notice, of the number of applications that had been made on a monthly basis in the preceding 12 months?</p> <p><b>Mr Ray</b>—I will take that on notice.</p> <p><b>Senator PAYNE</b>—Thank you very much.</p>	E62-E63	22/05/2009	25/05/2009	
<b><i>First Home Owners Grant – number of new and existing dwellings</i></b>								
<b><u>AET-46</u></b>	Payne	Treasury	25/02/2009	<p><b>Senator PAYNE</b>—...I think in November the Minister for Housing said that about 5,385 applications had been made for the boost nationwide. Can you break those down for us into how many were for the \$7,000 boost for the purchase of an existing home and how many were for the \$14,000 boost for the construction of a new home; and then break down, if you can please, the total across the same pattern?</p> <p><b>Mr Ray</b>—I think the answer to that is that we cannot do that now but we can take it on notice to see what we can do.</p>	E63	22/05/2009	25/05/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>However, it may be that we do not have that data split.</p> <p><b>Senator PAYNE</b>—A data split between those for new homes and those for homes already constructed?</p> <p><b>Mr Ray</b>—That is right.</p> <p><b>Senator PAYNE</b>—Wouldn't you be able to tell if you were giving people \$14,000 or \$21,000?</p> <p><b>Mr Ray</b>—The states give it to them. I am just not sure what data series we have but, as I said, we will look for you. The data I have are only the aggregate data.</p> <p><b>Senator PAYNE</b>—I would be very keen to get an idea of where they fall between the two categories.</p> <p><b>Mr Ray</b>—Sure.</p>				
<b><i>First Home Owners Grant – timeframe for new dwellings</i></b>								
<b><u>AET-47</u></b>	Payne	Treasury	25/02/2009	<p><b>Senator PAYNE</b>—Feedback is being received that that 26-week time frame is not that easy to achieve, and that is often because of expensive and complex approval processes, preconstruction processes—some might even call it local government red tape—and other things. I think there are concerns in the construction industry that that is a difficult requirement to meet and there are concerns from consumers that it could jeopardise eligibility for the First Home Owner Grant boost. Are you aware of whether the government has contemplated addressing those concerns?</p> <p><b>Mr Ray</b>—No, I am not aware that we have received representations to that effect, but again I am happy to have a look.</p> <p><b>Senator PAYNE</b>—Thank you; that would be helpful.</p>	E63	22/05/2009	25/05/2009	
<b><i>First Home Owners Grant – ownership of overseas houses</i></b>								
<b><u>AET-48</u></b>	Payne	Treasury	25/02/2009	<p><b>Senator PAYNE</b>—In relation to the operation of the scheme and overseas homeowners, if you are an applicant who applies for assistance under the scheme from overseas or an applicant who has previously held property outside of Australia, are you</p>	E64	22/05/2009	25/05/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>required to declare that?</p> <p><b>Mr Ray</b>—Ms Vroombout might know the answer to that.</p> <p><b>Ms Vroombout</b>—No. I would have to take that on notice.</p> <p><b>Senator PAYNE</b>—At the same time perhaps you could advise the committee whether the government has received any feedback that some applicants for first home owner assistance here might previously have owned housing in other countries, such as New Zealand. I am not sure what the level of that is, but there is certainly some feedback about it in the media.</p> <p><b>Mr Ray</b>—The first home owner boost is built on the old First Home Owner Grant, so it would depend on the eligibility for the original grant, but we can check that.</p>				
<i>Funding for investment in residential mortgage backed securities</i>								
<u>AET-49</u>	Payne	Treasury	25/02/2009	<p><b>Senator PAYNE</b>—Can I ask questions on shared equity mortgages and seek some information from the department on the funding that has been set aside by government for investment in residential mortgage backed securities? Can you indicate the amount of that funding?</p> <p><b>Mr Ray</b>—It is up to \$8 billion.</p> <p><b>Senator PAYNE</b>—What expenditure has been made of that to date?</p> <p><b>Mr Ray</b>—I might have that or, if I do not, someone else might. I am advised that it is around \$2 billion.</p> <p><b>Senator PAYNE</b>—I know that one of my colleagues in the other place, the member for Cook, and others have made submissions to the Treasurer suggesting that some of these funds, perhaps up to \$500 million, could be allocated to the shared equity mortgage sector in the hope that private lending institutions will continue to offer and expand their participation in shared equity loan products. Do you know whether there is any contemplation of that proposition?</p> <p><b>Mr Ray</b>—This is the wrong outcome.</p> <p><b>Senator PAYNE</b>—I am sorry.</p> <p><b>Mr Ray</b>—They have already been on. We will take that on</p>	E64-E65	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				notice and refer it to our Markets Group colleagues. <b>Senator PAYNE</b> —Thank you very much.				
<i>Stimulus package – social housing</i>								
<b>AET-50</b>	Eggleston	Treasury	25/02/2009	<p><b>Senator EGGLESTON</b>—You will have to take this on notice, but can you provide the committee with a detailed geographical distribution—by state, city and suburb—of where the houses will be located?</p> <p><b>Mr Ray</b>—I am happy to take that on notice, but I think it is probably beyond our forecasting capacity. I will take it on notice.</p> <p><b>Senator EGGLESTON</b>—If you have it, yes. I do not expect you to roll it out now.</p> <p><b>Mr Ray</b>—Ms Furnell reminds me that we probably need to refer that to our colleagues in FaHCSIA, but I will take it on notice and we will take it up with them.</p> <p><b>Senator EGGLESTON</b>—Thank you. Do you know what the average cost for each house will be in each state and by how much it will vary between states?</p> <p><b>Mr Ray</b>—No. It is done on an average cost across the Commonwealth—I think that is the way the costing has been constructed.</p> <p><b>Senator EGGLESTON</b>—That is very interesting because I suppose it might be cheaper to build a house in Tasmania than in Sydney.</p> <p><b>Mr Ray</b>—Yes. Again I am happy to take that on notice and refer it to FaHCSIA.</p> <p><b>Senator EGGLESTON</b>—Also, does the cost include the price of the land, and what criteria will be used to determine which land to buy? Will there be guidelines about this?</p> <p><b>Ms Furnell</b>—I understand that in some cases land will need to be purchased. For the exact details of that again we would need to get information from or refer the question to FaHCSIA.</p> <p><b>Senator EGGLESTON</b>—Thank you very much. Will there be energy efficient standards for the houses built, and how much</p>	E65-E66	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>is it estimated that such standards would add to the cost of these homes?</p> <p><b>Mr Ray</b>—My understanding is that all new houses in Australia have to comply with energy efficiency standards.</p> <p><b>Senator EGGLESTON</b>—So they will comply with the general standard—</p> <p><b>Mr Ray</b>—Yes.</p> <p><b>Senator EGGLESTON</b>—whatever that may be.</p> <p><b>Mr Ray</b>—I think that does vary from state to state.</p> <p><b>Senator EGGLESTON</b>—So it will not be a federal standard; it will be whatever the standard is in Western Australia or in each of the other states.</p> <p><b>Mr Ray</b>—That is right.</p> <p><b>Senator EGGLESTON</b>—Of course, in some parts of some states, the cost of building is much higher. In the north-west of Western Australia, for example, they have a cyclone code. Roofs have to be text screwed and lots of other features have to be added to cyclone-proof the houses there. One presumes that would mean that the average cost would be higher. So you would have to comply with local standards like that?</p> <p><b>Mr Ray</b>—Yes.</p> <p><b>Senator EGGLESTON</b>—That might mean that, because building to such standards would make the cost higher, fewer houses might be built in that particular state. Is that a fair conclusion? It costs nearly twice as much to build a house in the north-west of Western Australia as it does in the south-west.</p> <p><b>Ms Furnell</b>—I am not sure how that was taken account of in the design of the program. Again it is something on which we may be able to get additional guidance from FaHCSIA. On the issue of standards, I understand that an amendment concerning solar panels was moved in the Senate by the Greens, so there are some additional standards.</p> <p><b>Senator EGGLESTON</b>—Are these houses going to be of a standard size with a standard number of bedrooms—a standard</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>format of three by two or something like that?</p> <p><b>Ms Furnell</b>—I understand that they may vary depending on the general needs for public housing in particular areas. Again I think that will be determined through the process that is to be undertaken to implement this program.</p> <p><b>Senator EGGLESTON</b>—Do you have any assessment of the relative cost of building each of these so-called social homes compared with the average price of building a new home in Australia, including and excluding the land in the final cost?</p> <p><b>Ms Furnell</b>—I do not have that information readily available. I will have to take that on notice and refer it to FaHCSIA.</p> <p><b>Senator EGGLESTON</b>—I would be grateful if you would do that.</p>				
<i>Social housing – new and existing</i>								
<u><b>AET-51</b></u>	Bushby	Treasury	25/02/2009	<p><b>Senator BUSHBY</b>—I do not think this has been covered. I mentioned this earlier, but Senator Cormann has asked for these questions to be asked. He has some of them tailored specifically to WA, but I think they apply equally to each state. How much of the social housing initiative will be in new housing and how much of the money spent will be for repair and maintenance of existing public housing?</p> <p><b>Ms Furnell</b>—As was published in the Updated Economic and Fiscal Outlook, \$400 million is for maintenance.</p> <p><b>Senator BUSHBY</b>—How much does that leave for the new housing?</p> <p><b>Ms Furnell</b>—The remainder of the—</p> <p><b>Senator BUSHBY</b>—Just for the record.</p> <p><b>Ms Furnell</b>—Yes. I would just have to take that off the total, which I would need to do separately. It is just that it is published as a single line. I am sorry; it is \$6 billion.</p> <p><b>Senator BUSHBY</b>—So \$400 million of the \$6 billion is for maintenance. How will the total package of \$16 billion be divided between each state?</p> <p><b>Ms Furnell</b>—I do not have that data here. It is a separate</p>	E67	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>process being run by FaHCSIA. I could refer that question to FaHCSIA.</p> <p><b>Senator BUSHBY</b>—Are you aware of whether that has actually been determined?</p> <p><b>Ms Furnell</b>—I am not aware of whether it has been determined. I think there is a process of application, so it may not be clear at this stage.</p> <p><b>Senator BUSHBY</b>—So it may not be clear at this stage how much of that each state is getting.</p> <p><b>Ms Furnell</b>—That is right.</p> <p><b>Senator BUSHBY</b>—Do we know who will administer the package? Will there be tenders and accountability approvals? How will that be approached? I would imagine that FaHCSIA is managing that.</p> <p><b>Ms Furnell</b>—I understand that it is a process of approval and tenders through the states in some cases. As Mr Ray indicated, there may be others, other than state government housing authorities, involved. I can seek further detail from FaHCSIA, if you would like me to.</p>				
<i>Caltex – price of petrol</i>								
<u>AET-52</u>	Boswell/ Abetz	Treasury	25/02/2009	<p><b>Senator BOSWELL</b>—There was a key opening statement made by Caltex to a recent hearing of the Senate Select Committee on Fuel and Energy and I am going to take you across it. It states:</p> <p>'We calculate that by 2017 emissions from petrol will be the same as without the CPRS, yet the oil industry will have to purchase \$8 billion in permits and charge them back to the customers. That's final churn for no purpose; however, it will impose a significant financial risk on Caltex because of the need to purchase these permits at the prices in the CPRS. Purchasing about 40 million tonnes of customer permits would cost \$0.09 billion to \$1.6 billion annually. In contrast, Caltex unaudited profit for 2008 was \$185 million.'</p> <p>They raise serious concerns. Can I have your response? Are</p>	E74-E75	15/04/2009	15/04/2009	



Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>they right? What is the government doing about the problem?</p> <p><b>Ms Quinn</b>—Can you please encapsulate the question? Is it right that there is going to be a price of carbon on petrol?</p> <p><b>Senator BOSWELL</b>—Would you like me to read it out again?</p> <p><b>Ms Quinn</b>—I am not sure about the precise question.</p> <p><b>Senator BOSWELL</b>—There is a statement here that says that Caltex will be up for \$0.09 billion to \$1.6 billion annually and its unaudited profit at the moment is \$185 million. They raise serious concerns and want to know what the government will do about it and what will happen to the price of petrol. Could you give us a response?</p> <p><b>Senator Conroy</b>—It is right that we are considering industry input on it, so we are happy to take that question on notice and get you as much information as is available.</p> <p><b>Senator BOSWELL</b>—Yes, I know you are. Senator Conroy, I accept what you say is sincere, but I rarely get the damn questions answered and, if I do, the answers are such gobbledegook that no-one can even understand them. I accept you are trying to be helpful, but I want a response. It is a very serious problem. Someone has a profit of \$185 million and they are going to be hit with a permit bill of nearly \$1 billion to \$1.6 billion.</p> <p><b>Senator Conroy</b>—Ongoing consultations are taking place between the government and industry directly and industry associations, and the government has not reached its final position yet on these issues.</p> <p><b>Senator BOSWELL</b>—I might be under a misapprehension, but I thought the final position was in the white paper.</p> <p><b>Ms Quinn</b>—The government’s policy in the white paper was that excess duty on petrol would be lowered a certain per cent for the carbon impost, so petrol prices faced by consumers and most industry will not be affected by the introduction of emissions pricing at the start of the scheme.</p> <p><b>Senator ABETZ</b>—Yes, at the start of the scheme, but for how long will that crosssubsidy be—</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Ms Quinn</b>—The white paper position is that it varies a little bit, depending on the industry and the consumers. But for consumers the reduction will be for years; and for some industries it is three years and for other industries it is one year.</p> <p><b>Senator ABETZ</b>—So for some industries it will be within one year or immediately after one year.</p> <p><b>Ms Quinn</b>—Yes.</p> <p><b>Senator BOSWELL</b>—I am very happy that Senator Conroy has made an intervention because I was just at a coal-mining industry lunch. They have a similar problem; they are going to get wiped out. Are you going to relook at them too?</p> <p><b>Senator Conroy</b>—As I have said, the government is engaged in ongoing discussions with a whole range of industry sectors.</p> <p><b>Senator BOSWELL</b>—But how can you do that when you have a white paper that says we are going to do this and we have legislation coming in?</p> <p><b>Senator Conroy</b>—We have ongoing discussions with industry. I am confident that Senator Wong, the Treasurer and other members are having ongoing discussions with the various sectors.</p> <p><b>Senator BOSWELL</b>—They will be overjoyed. Every industry that thinks they are going to get completely screwed will be overjoyed at your admission that you are going to revisit them.</p> <p><b>Senator Conroy</b>—I did not say anything of the sort. What I said was that there are ongoing discussions. We are listening to concerns and having ongoing discussions. I did not say that we are revisiting anything. That was your word, not mine.</p> <p><b>Senator BOSWELL</b>—I do not know the difference between ‘ongoing discussions’ and ‘revisiting’. We just sit down and say, ‘Isn’t it terrible,’ and we are having a discussion with them.</p> <p><b>Senator Conroy</b>—There is ongoing consultation taking place with industry regularly. As I have said, if you would like something more specific, I am happy to take it on notice.</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
<i>Carbon Pollution Reduction Scheme</i>								
<u>AET-53</u>	Milne	Treasury	25/02/2009	<p><b>Senator MILNE</b>—...Why are you estimating that just under 10 per cent of the five per cent needs to come from imported permits? I assume that you will say ‘because it is cheaper to import the emission reduction than to do it ourselves’.</p> <p><b>Ms Quinn</b>—The modelling found that there were low-cost options overseas in other countries and suggested that we import 10 per cent of our permits. That would be a more efficient way to reduce Australia’s allocation.</p> <p><b>Senator MILNE</b>—Where were these low-cost options overseas? What were your assumptions about where you would get them from?</p> <p><b>Ms Quinn</b>—Most of the low-cost options come from countries that have low-cost abatement. I cannot tell you precisely how much of the 10 per cent would come from each country; I do not have that data in front of me. But, in general, low-cost abatement was found in the modelling to be in countries that have low marginal costs of reducing emissions, and these tend partly to be developing countries. The United States also has quite low-cost abatement opportunities.</p> <p><b>Senator MILNE</b>—Can I have a breakdown of where you estimated your 10 per cent of the low-cost permits would be? Just take that on notice—I do not expect you to have it here now—in terms of where you were estimating.</p>	E77	02/06/2009	02/06/2009	
<i>Carbon Pollution Reduction Scheme – distribution</i>								
<u>AET-54</u>	Eggleston	Treasury	25/02/2009	<p><b>Senator EGGLESTON</b>—What is the estimated take-up of the measure and what will be the distribution of the grants?</p> <p><b>Mr Ray</b>—That is a question that you should probably ask the relevant department, which is Environment. We did not do the costing. That was done between the department of environment and the department of finance.</p> <p><b>Senator EGGLESTON</b>—Did you do any assessment of whether you think the benefits from installing solar hot water</p>	E83	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				and insulation outweigh the costs? <b>Mr Ray</b> —Again, I am happy to take that on notice, but that is really going to the nature of what advice we might have provided to government when it was considering the measure. <b>Senator EGGLESTON</b> —I am quite happy for you to take that on notice. Perhaps you could add in why you think households in general do not avail themselves of these technologies if there are cost benefits to be had?				
<i>Insulation and solar energy</i>								
<u><b>AET-55</b></u>	Abetz	Treasury	25/02/2009	<b>Senator ABETZ</b> —I will try to be as quick as I can. Just as a follow-up in relation to the savings made by households because of the solar panel on their roof or insulation in their ceiling, that will be a savings to some households but what about those households that will have to pay tax to service the interest for the debt raised to pay for the solar panels and the pink batts? Has that been factored into the assessment that households will actually be saving money? They will save money on their energy bill. I accept that. But surely that is going to be offset by an increased taxation impost to pay for the interest component as a minimum on the debt that was raised to pay for these solar panels and pink batts? <b>Ms Quinn</b> —I am unable to answer that question because I did not cost the insulation and solar energy. <b>Senator ABETZ</b> —Could you please take on notice what that interest component will be per household and/or per taxpayer and how long it is anticipated that they will have to continue to pay that tax impost to service the debt for the benefit of having the solar panels or pink batts in their roof? You can take that on notice. I do not want to get into that argument, because time is very short.	E84	22/05/2009	25/05/2009	
<i>Forestry managed investment schemes</i>								
<u><b>AET-56</b></u>	Abetz	Treasury	25/02/2009	<b>Senator ABETZ</b> —Can we have on notice, if the minister does	E84-E85	15/04/2009	15/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				not know, the government's policy on forestry MIS at the moment or at that time for it to continue into perpetuity? <b>Senator Conroy</b> —I am happy to take that on notice. <b>Senator ABETZ</b> —Thank you.				
<b>Government spending</b>								
<b><u>AET-57</u></b>	Bushby	Treasury	25/02/2009	<b>Senator BUSHBY</b> —What is Treasury's current estimate for real growth in government spending in 2008- 09 and how does this compare with real growth rates for each of the years since 1995-96? Did the expenditure revenue committee meet to consider that \$42 billion package? <b>Mr Ray</b> —The number that you have asked for, the current estimate at the time of UEFO, has not been published. Those numbers will be published in the budget, but I am happy to take it on notice to see what we can provide. <b>Senator BUSHBY</b> —Do you have access to the figures for each of the years since 1995-96? <b>Mr Ray</b> —They are published in the Mid-Year Economic and Fiscal Outlook. <b>Senator BUSHBY</b> —If you can put that together on notice and get that to me and strive to get something to compare with the most recent year that would be much appreciated. <b>Mr Ray</b> —Sure.	E86-E87	23/04/2009	23/04/2009	
<b>Government spending – ERC</b>								
<b><u>AET-58</u></b>	Bushby	Treasury	25/02/2009	<b>Senator BUSHBY</b> —Did the ERC meet to consider the \$42 billion spending package? <b>Senator Conroy</b> —I will happily take that on notice.	E87	23/04/2009	23/04/2009	
<b>Consultants engaged by Treasury</b>								
<b><u>AET-59</u></b>	Bushby	Treasury	25/02/2009	<b>Senator BUSHBY</b> —Will we lead out with the consultancy question from earlier? Do we have the Treasury person here? <b>CHAIR</b> —Do you want to have that answer about consultancies now?	E93	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Senator BUSHBY</b>—I know that the person has come here especially. We could do that now and then move back on to superannuation.</p> <p><b>CHAIR</b>—Yes.</p> <p><b>Senator BUSHBY</b>—Thank you, Ms Gerathy, for coming up. I understand you are not necessarily the expert in this area, but you may be able to assist me to some extent.</p> <p><b>Ms Gerathy</b>—It depends, or I may be able to take your question on notice.</p> <p><b>Senator BUSHBY</b>—What consultants have been engaged by Treasury over the past 12 months?</p> <p><b>Ms Gerathy</b>—I will have to take that on notice. What I have here for you is a list from our annual report of the consultancies that we entered into in 2007-08. I do not have a list like this for 2008-09 with me at the moment.</p> <p><b>Senator BUSHBY</b>—You can take that on notice. In doing so, could you also include similar statistics for the 12 months prior to that?</p> <p><b>Ms Gerathy</b>—Do you want the last 12 months and then the previous 12 months?</p> <p><b>Senator BUSHBY</b>—Yes. Could you also name the consultancies?</p> <p><b>Ms Gerathy</b>—Yes. We can provide you with a similar list.</p> <p><b>Senator BUSHBY</b>—And the terms on which they were engaged? Not the full details, but basically a summary of the terms on which they were engaged?</p> <p><b>Ms Gerathy</b>—What sort of information would you be interested in?</p> <p><b>Senator BUSHBY</b>—The process under which they were engaged is probably what I am after, whether it was by tender or by direct appointment.</p> <p><b>Ms Gerathy</b>—We can do that.</p> <p><b>Senator BUSHBY</b>—I am also interested in how much was paid in legal fees by Treasury over the past 12 months.</p> <p><b>Ms Gerathy</b>—Okay.</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Senator BUSHBY</b>—How much was paid to non-legal consultants by Treasury over the past 12 months?</p> <p><b>Ms Gerathy</b>—Yes.</p> <p><b>Senator BUSHBY</b>—What was the value of the savings derived from the efficiency dividend over the same period?</p> <p><b>Ms Gerathy</b>—As it applies to Treasury?</p> <p><b>Senator BUSHBY</b>—Yes, as it applies to the Department of Treasury.</p> <p><b>Ms Gerathy</b>—Yes. I will have to take that on notice.</p> <p><b>Senator BUSHBY</b>—Thank you.</p>				
<i>Superannuation default funds</i>								
<u><b>AET-60</b></u>	Bushby	Treasury	25/02/2009	<p><b>Senator BUSHBY</b>—If you have 100 employees and the union representation in the workplace agrees with the employers that they want to have a different one for those 70-odd employees who may not choose directly, there is no scope for that under the way it is at the moment? The only thing they can do is go around to every employee and say—</p> <p><b>Senator Sherry</b>—I would need to refresh my knowledge on what the proposed industrial instruments that run alongside an award are to be. There may be a capacity to enter into other arrangements regarding a default fund, but I am frankly not across the new proposed acts. There may be some capacity there, but I cannot be sure.</p> <p><b>Senator BUSHBY</b>—Can you take that on notice?</p> <p><b>Senator Sherry</b>—Yes, I will.</p>	E96	23/04/2009	23/04/2009	
<i>First Home Saver Account</i>								
<u><b>AET-61</b></u>	Payne	Treasury	25/02/2009	<p><b>Senator PAYNE</b>—I have a brief series of questions following up on those I have asked previously about the first home saver accounts. Can the department advise the committee of where we are up to with the opening of first home saver accounts since they became available on 1 October last year? How many have we seen opened since then?</p>	E97-E99	02/06/2009	02/06/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Mr Gallagher</b>—We also do the estimates for first home saver accounts. The actual numbers of accounts are being monitored by APRA, and my understanding is that APRA is processing the numbers from the end of last year, but we have not yet received them and I am not quite sure when we will. I expect that we will have a much better answer for you at budget estimates than I can give you now.</p> <p><b>Senator PAYNE</b>—In terms of pursuing these issues in the future, in relation to at least the numbers of accounts, should I continue to do that here with you or with APRA?</p> <p><b>Mr Gallagher</b>—APRA can talk to the nature of their numbers but, in terms of the way that Treasury is monitoring the schemes, we will be using the numbers and we will be able to interpret them for you.</p> <p><b>Senator PAYNE</b>—Thank you. I think you said the monitoring that APRA is doing in relation to the accounts is from the end of last year.</p> <p><b>Mr Gallagher</b>—Yes. Although my understanding is that the data collection was to end at the end of the December quarter, so it should be up to 31 December, and they would have collected that data through January and into February. I understand that it is being processed at the moment.</p> <p><b>Senator PAYNE</b>—Do you know when you are expecting to get that? If I were to ask you to take a question on notice in relation to the numbers and perhaps associated matters, would you be able to assist with that in the timeframe?</p> <p><b>Mr Gallagher</b>—I would be happy to take the question on notice and if I receive the data inside the notice period I will answer with the data, otherwise I will notify you when I expect it.</p> <p><b>Senator PAYNE</b>—If you could respond in relation to the number that have been opened in the period of data collection, so since they became available on 1 October, and in what</p>				



Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>period that has been monitored. Could you also advise, based on those numbers, whether that level of accounts opened meets the expectations that Treasury was expecting or whether it exceeds or fails to meet them?</p> <p><b>Mr Gallagher</b>—Yes.</p> <p><b>Senator PAYNE</b>—Can you advise whether there has been any change to the number of financial institutions participating in the scheme since 1 October?</p> <p><b>Mr Gallagher</b>—Again, I am not aware of the financial institutions. I do not know whether the APRA numbers run to that, but I expect that they would. I would need to look at the source. As I said, our estimation process was based on the number of people who were saving for their first home and a plausible take-up by the people saving for that.</p> <p>Since the policy was originally announced the government has also announced other policies in relation to first home savers. In particular, in some categories the first home owner grant has been tripled and in other cases it has been doubled. That may have had the effect of bringing forward people who may have saved over the longer term to a more immediate purchase. The other thing that has happened, of course, is that interest rates have dropped and, again, that may mean that people have decided, rather than to purchase later, that a good time to purchase may be now, so they may not have taken up accounts. I do not know whether we will ever know the effects of those measures, but certainly if I was estimating it now, I would estimate lower numbers.</p> <p><b>Senator PAYNE</b>—I see.</p> <p><b>Mr D’Ascenzo</b>—The APRA website, as of 12 February 2009, had 17 authorised institutions. Of the major banks, the ANZ and Commonwealth were offering first home saver accounts, and anecdotally others have indicated that they may offer the product at a later date.</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Senator PAYNE</b>—Do you mean the other two of the big four?</p> <p><b>Mr D'Ascenzo</b>—Including them.</p> <p><b>Senator PAYNE</b>—Thank you. I appreciate that clarification. Mr Gallagher, based on the fact that you are still waiting for data, I assume that there has been no opportunity for any review of the estimates in relation to the government contribution during the early operation of the scheme?</p> <p><b>Mr Gallagher</b>—That is correct. We would expect to do that as part of the budget estimates process, in terms of looking at the numbers and making decisions about the changing climate, as well as the apparent take-up in revising the estimates.</p> <p><b>Senator PAYNE</b>—I appreciate your undertaking to provide some of that information on notice if you receive it during the timeframe.</p>				
<b>Henry Tax Review</b>								
<b>AET-62</b>	Bushby	Treasury	25/02/2009	<p><b>Senator BUSHBY</b>—Maybe I should be asking the minister what the government's intention is to do with the findings of that report.</p> <p><b>Mr Lonsdale</b>—And then, as you say, it will be up to the government to consider the report.</p> <p><b>Senator BUSHBY</b>—Are you able to assist me in terms of the timing of what the government is likely to do with the findings of the Henry report at the end of this year?</p> <p><b>Senator Conroy</b>—We have not made any decisions yet.</p> <p><b>Senator BUSHBY</b>—Obviously you have not made any decisions, because you do not know what the report is going to say.</p> <p><b>Senator Conroy</b>—I can take that on notice and I will see what information the Treasury can make available.</p>	E102	14/04/2009	14/04/2009	
<b>Henry Tax Review - GST</b>								
<b>AET-63</b>	Bushby	Treasury	25/02/2009	<b>Senator BUSHBY</b> —Will there be a fall in GST revenue	E104-E105	23/04/2009	23/04/2009	Answer

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>overall?</p> <p><b>Ms Mrakocic</b>—It basically is associated with weaker—</p> <p><b>Senator Conroy</b>—It was the last point I listed.</p> <p><b>Ms Mrakocic</b>—It is basically associated with weaker consumption.</p> <p><b>Senator BUSHBY</b>—That is right because obviously if people are not spending as much money then there is not as much money being spent for tax—</p> <p><b>Ms Mrakocic</b>—A weaker economic outlook and weaker consumption translates into—</p> <p><b>Mr White</b>—On page 44 of the UEFO we actually say that it is going down by about \$1 billion in 2008-09 and \$2 billion in 2009-10.</p> <p><b>Senator BUSHBY</b>—What is that in percentage terms roughly?</p> <p><b>Mr White</b>—GST is currently a bit over \$40 billion so it may be about—</p> <p><b>Senator BUSHBY</b>—It is substantial, but not huge if you divide \$1 billion across all the states in terms of what they are getting. They will hurt but it is not going to make them fall over at this point. Whilst UEFO and the budget before that predicted an increase in unemployment, what will be the decrease in average income tax revenue for every 100,000 people unemployed as a result of the—</p> <p><b>Senator Conroy</b>—We will take that on notice and see if those figures are available.</p> <p><b>Senator BUSHBY</b>—It is a reasonably common statistic.</p> <p><b>Ms Mrakocic</b>—We have to take that on notice.</p> <p><b>Senator BUSHBY</b>—You cannot tell me what the tax revenue is for every 100,000 people? That is something you work off, isn't it?</p> <p><b>Ms Mrakocic</b>—We would have to take it on notice.</p> <p><b>Senator BUSHBY</b>—What are the implications for capital gains tax receipts next year from the decline in asset values?</p> <p><b>Ms Mrakocic</b>—Again I think we do point out in the document that we expect capital gains also to be reduced.</p>				combined with AET-64

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Senator BUSHBY</b>—Substantially?</p> <p><b>Senator ABETZ</b>—By how much or is that in the other category?</p> <p><b>Ms Mrakocic</b>—We do not actually provide the detail on capital gains for that breakdown.</p> <p><b>Senator BUSHBY</b>—Do you have that available somewhere in Treasury?</p> <p><b>Ms Mrakocic</b>—We would have to take that on notice.</p> <p><b>Senator ABETZ</b>—Whereabouts is that? As I understand it in the UEFO—and I do not have it in front of me but from recollection—you told us what you were anticipating, company tax and a few others, and then you aggregated everything else in a lump, ‘Other: \$2 billion’. Is that right?</p> <p><b>Ms Mrakocic</b>—Basically, capital gains is spread across a number of those revenue heads, company tax and individuals—</p> <p><b>Senator ABETZ</b>—Company tax and individual tax and superannuation as well?</p> <p><b>Senator Conroy</b>—Dividend imputation—</p> <p><b>Senator ABETZ</b>—If you could try to disaggregate that that would be helpful.</p> <p><b>Senator Conroy</b>—We will see if we can; I am not sure. Dividend imputation feeds into the other aggregates.</p>				
<i>Disaggregated categories</i>								
<u>AET-64</u>	Abetz	Treasury	25/02/2009	<p><b>Senator ABETZ</b>—With the other taxes that you are anticipating will decrease—and I think we agreed there was a category of ‘Other’—how much was that again?</p> <p><b>McCullough</b>—I think I said about \$2 billion.</p> <p><b>Senator ABETZ</b>—What was included in that?</p> <p><b>Senator Conroy</b>—I do not actually have a further breakdown. I am happy to take it on notice.</p> <p><b>Senator ABETZ</b>—To have an aggregate described as ‘Other’ I would assume that there would be a lot of little categories in ‘Other’ with a number placed next to them—</p> <p><b>Senator Conroy</b>—I just do not have—</p>	E105-E106	23/04/2009	23/04/2009	Answer combined with AET-63

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Senator ABETZ</b>—I am just asking on notice if you can disaggregate the categories and the amounts because in UEFO, believe it or not, I was searching to see what the revised view would be on income from the luxury car tax—I am getting a few smiles; that is nice. Even without the KFC or the GFC, I have a very funny feeling that my bush economics and predictions as to what would happen have in fact happened—</p> <p><b>Senator Conroy</b>—As I said, I am happy to see if there is a—</p> <p><b>Senator ABETZ</b>—What I would like to know is—</p> <p><b>Senator Conroy</b>—I am happy to see if there is a further breakdown. I have actually answered a question in a similar vein in the Senate. I am happy to see if there is any further information that the Treasury wants to make available.</p> <p><b>Senator ABETZ</b>—I think you are misleading this committee. You did not answer. You talked about it but you did not answer, really. If you could let me know what the luxury car tax reductions—</p> <p><b>Senator Conroy</b>—I will see if there is any information.</p> <p><b>Senator ABETZ</b>—If I could be provided with information about whether the receipts for luxury car tax—</p> <p><b>Senator Conroy</b>—I will take that on notice to see if there is anything more available that the Treasurer wishes to make available.</p> <p><b>Senator ABETZ</b>—Also, in gathering that information would you then be informed as to what vehicles and vehicle numbers are being sold in various categories or not?</p> <p><b>Senator Conroy</b>—I will happily take that on notice and see if there is any further information that the Treasurer can provide you.</p> <p><b>Senator ABETZ</b>—There are 25 categories of foreign cars with all luxury car tax removed from them— which is of great assistance to the Australian car manufacturers, might I add; a huge assistance. They were very pleased about that. I would like to know how many of those vehicles have been sold and how their sales have increased as a result of the changed</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>taxation.</p> <p><b>Senator Conroy</b>—I am happy to take it on notice.</p> <p><b>Senator ABETZ</b>—Thank you. Senator Coonan has been of great assistance. On page 44 of UEFO we were told: Reduced forecasts of consumption have also led to reductions of more than \$250 million per year in aggregate estimates of all other indirect taxes (excise and customs duties, luxury car tax, and wine equalisation tax).</p> <p>Of course, it will be interesting to see what happens with the alcopops tax as well in that regard.</p> <p><b>Senator Conroy</b>—We have taken it on notice.</p> <p>...</p> <p><b>Senator ABETZ</b>—Can I ask you to take on notice also the forward estimates of luxury car tax revenue?</p> <p><b>Senator Conroy</b>—Certainly. We can add that to your question to see if there is any further information available.</p>				
<i>Stimulus package payments</i>								
<u><b>AET-65</b></u>	Coonan/Abetz	Treasury	25/02/2009	<p><b>Senator COONAN</b>—I wanted to ask some questions, which I was told by Macroeconomic Group, in particular Dr Gruen, were questions for you. Was there a formula—or what was it?—to decide the optimal amount of cash each person should receive under the recent stimulus package? I suppose another roundabout way of asking is why \$900—</p> <p><b>Senator ABETZ</b>—The Greens amended that from \$950.</p> <p><b>Senator COONAN</b>—I was about to say \$950.</p> <p><b>Mr McCullough</b>—The difficulty we have is that notwithstanding that Dr Gruen might have said that, the question of the handing-out part of the Treasury portfolio is ordinarily dealt with by the Fiscal Group. The tax part does the bringing in. So it really should be the fiscal—</p> <p><b>Senator COONAN</b>—See if this question is appropriate for</p>	E107-E108	02/06/2009	02/06/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>you. How many Australians will receive benefits from this package and what is the distribution of the benefits?</p> <p><b>Ms Mrakotic</b>—What do you mean when you say ‘this package’?</p> <p><b>Senator COONAN</b>—The stimulus package, \$42 billion, and that part of it that relates to the \$950 or \$900.</p> <p><b>Ms Mrakotic</b>—We would have to take that question on notice but I do note that we provided an answer to a similar question which basically noted that overall out of those with incomes under \$100,000 it was estimated that 94 per cent would be eligible for at least one bonus payment when one considered the economic security package and the Nation Building and Jobs Plan, together.</p> <p><b>Senator COONAN</b>—What is the most that an individual and a family can receive from this package and how many individuals and families are expected to collect the maximum amount?</p> <p><b>Ms Mrakotic</b>—I think that question again is probably more appropriately put to Fiscal Group. We can take it on notice. I do know that some of the measures descriptions in the UEFO document actually indicate for certain types of payments how many families and individuals are expected to benefit. We can see what other information we can pull together. We can talk to our Fiscal Group colleagues.</p> <p><b>Senator COONAN</b>—If you can answer this do, if not, take it on notice. If someone earned say \$10,000 in 2007-08 what bonus would they get?</p> <p><b>Ms Mrakotic</b>—We will have to take that on notice. But I will say that it may very well depend on the precise circumstances of that individual. You would really need to know the composition of the income and what their particular family circumstances would be. I simply note that it may be very difficult for us to actually be able to answer that question at a</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>very high level.</p> <p><b>Senator ABETZ</b>—How many recipients or beneficiaries do we think are living overseas? I asked that question at the finance and public administration committee looking into the package and that question was taken on notice. Has an answer emerged as yet? It has all been passed and I just want to know how much of the Australian economic stimulus package is going to be spent on the Greek islands, a great assistance no doubt to Australian jobs?</p> <p><b>Ms Mrakocic</b>—I think we will have to take that on notice.</p> <p><b>Senator ABETZ</b>—The quicker I can get an answer on that the better.</p>				
<i>Jobs within the Australian public sector</i>								
<u><b>AET-66</b></u>	Abetz	Treasury	25/02/2009	<p><b>Senator ABETZ</b>—Briefly, do you agree that the efficiency dividend is costing jobs in the Australian Public Service?</p> <p><b>Senator Conroy</b>—That is a very broad question.</p> <p><b>Senator ABETZ</b>—That is a very easy question and a very short answer.</p> <p><b>Senator Conroy</b>—I am not sure I have the answer across the whole of the public sector, so I will happily take that on notice.</p> <p><b>Senator ABETZ</b>—In broad terms is it costing jobs?</p> <p><b>Senator Conroy</b>—I will happily take that on notice.</p>	E109-E110	23/04/2009	23/04/2009	
<i>Promotions within the ATO / Staff attrition rate of the ATO</i>								
<u><b>AET-67</b></u>	Abetz	ATO	25/02/2009	<p><b>Senator ABETZ</b>—How many people have been promoted since the last budget and the efficiency dividend?</p> <p><b>Mr D'Ascenzo</b>—I do not have those figures.</p> <p><b>Senator ABETZ</b>—Can you take that on notice for us and, if it is not too difficult to access, indicate to us the number of promotions per month so we have an idea of the number of promotions per month on average and we can then see if it has somewhat tapered off? I would have thought that people who</p>	E110-E111	21/04/2009	21/04/2009	



Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>are worthy of promotion have the capacity to have gainful employment other than in the tax office, and if there is an artificial ceiling placed on them from promotion they might seek promotion elsewhere, as a result of which you would lose quality staff.</p> <p><b>Mr D'Ascenzo</b>—I will take that on notice. I am not sure what the profile will provide. While we are looking at whether or not we need to promote, whether or not we need to use higher duties, the reality is that with extra workload you sometimes have extra positions and often they are filled by people within the ATO who have the skills to do that work.</p> <p><b>Senator ABETZ</b>—Can you take this one on notice: what is the staff attrition rate of the ATO?</p> <p><b>Mr D'Ascenzo</b>—We will put that on notice. I think it is something in the order of five to 5.5, which is lower than we budgeted for, which was about six.</p> <p><b>Senator ABETZ</b>—Has the attrition rate increased in the last six months?</p> <p><b>Mr D'Ascenzo</b>—No, it has decreased.</p>				
<i>Default funds under the modern award system</i>								
<u>AET-68</u>	Bushby	APRA	25/02/2009	<p><b>Senator BUSHBY</b>—In relation to the first tranche of default funds under modern awards, what is the anticipated annual flow of contributions into the nominated default funds? Is that something that you can or have looked at?</p> <p><b>Mr Jones</b>—We could certainly collect statistics on the contributions to go into the funds because that is the type of information that we would have access to.</p> <p><b>Senator BUSHBY</b>—I do not necessarily expect you to have that with you today, but I would be interested if you would take it on notice and, at the same time, provide an indication of what percentage those funds represent of the total superannuation guarantee flow from across the country. What I am after is the anticipated annual flow of contributions into the nominated default funds under the modern award system and what</p>	E115	15/04/2009	15/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>percentage that represents of the overall superannuation.  <b>Mr Jones</b>—In dollar terms or in number of funds?  <b>Senator BUSHBY</b>—Dollars.  <b>Mr Venkatramani</b>—There is a particular clarification. As you know, the contributions which flow into the system consist of different varieties. One is fundamentally the SG, which employers are obliged to pay. Our system also allows employers agreeing contributions plus, under the three-pillar system, voluntary contributions which are post tax. For APRA to collect the flows of these three different streams would be, firstly, costly and, secondly, might be extremely inclusive for individual funds to separate. In terms of formulating the question, are you only interested in the SG or are you interested in all of the contribution streams?  <b>Senator BUSHBY</b>—My preference would be just a percentage of SG, but if that creates difficulties for you or additional expense then whatever you can provide me with any back-up information to explain it.  <b>Mr Venkatramani</b>—Thank you.</p>				
<i>Default funds – increase in administration fees</i>								
<b>AET-69</b>	Bushby	APRA	25/02/2009	<p><b>Senator BUSHBY</b>—I got quite a lot more questions, actually. I will finish up with default and then I will come back to the other stuff afterwards, if that is okay. In relation to the default funds specified in modern awards, can APRA advise if they are aware of whether any of these funds in the last 12 months has increased its administration fees charged to members and to what extent?  <b>Mr Jones</b>—I am going to take that on notice just to check on that. It is a fairly specific question.  <b>Senator BUSHBY</b>—Okay, that is fine.</p>	E116	15/04/2009	15/04/2009	
<i>Gunns Pulp Mill</i>								
<b>AET-70</b>	Abetz/	ASIC	25/02/2009	<b>Senator ABETZ</b> —Is ASIC currently undertaking an inquiry	E124-E125	22/05/2009	25/05/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
	Macdonald			<p>into Gunns and its disclosures and comments about Mr Garrett's decision of 5 January 2009?</p> <p><b>Mr D'Aloisio</b>—Senator, the issue of what specific inquiries or investigations ASIC conducts are for it, and I am not really in a position to answer that question.</p> <p><b>Senator ABETZ</b>—I do not want to ask about the detail of the inquiry. Mr Garrett made noises basically indicating that there should be such an inquiry, and I am wondering whether there is an inquiry taking place. I do not want to know about the details and where it is at.</p> <p><b>Ms Gibson</b>—We do not have any current inquiry or discussion in relation to Gunns' disclosures that I am aware of, Senator.</p> <p><b>Senator ABETZ</b>—You are not aware of any?</p> <p><b>Ms Gibson</b>—There is nothing current, no.</p> <p><b>Senator ABETZ</b>—I will get right to the point. Today we had disclosures that Minister Garrett made a decision in relation to Gunns pulp mill. He made that announcement publicly at 12.30 pm on 5 January 2009 and we have had disclosures today revealing that in fact private and favoured organisations and people were told by the minister of his impending announcement and the detail of that prior to the company being notified and of course prior to the public announcement. I am just wondering whether ASIC has a view on that behaviour. It has the potential, I would have thought, to substantially distort the market.</p> <p><b>Mr D'Aloisio</b>—Senator, I think you will appreciate that we will not be drawn into that issue in terms of its facts. I would rather stay with the general propositions—that is, that if parties have got inside information and that information is used in an improper way and not disclosed to the market then there are other provisions of the Corporations Act that could apply in relation to that behaviour. But I am speaking generally and certainly cannot speak in relation to this case.</p> <p><b>Senator ABETZ</b>—Could provisions of the Corporations Act theoretically apply to a minister who has disclosed market</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>sensitive information to third parties, before telling the company and the open market.</p> <p><b>Mr D’Aloisio</b>—Again Senator, it is a question of looking at the law, the relevant minister, the legislation that applies and what occurred. While we are happy to take it on notice and have a look at it, it is certainly not an issue I would wish to be drawn into in expressing a view this evening.</p> <p><b>Senator ABETZ</b>—Would you mind investigating that matter for me and coming back to the committee?</p> <p><b>Mr D’Aloisio</b>—We will assess whether we can and what we can do in conducting inquiries and come back to the committee.</p> <p><b>Senator ABETZ</b>—It just seems to me a very, very unhealthy code of conduct for any minister to be undertaking.</p> <p><b>Senator CAMERON</b>—The senator has asked Mr D’Aloisio to take certain acts. Now he wants to editorialise on it and to try and pre-empt what the chairman does. I think that is totally inappropriate.</p> <p><b>Senator IAN MACDONALD</b>—Mr D’Aloisio, can you—</p> <p><b>CHAIR</b>—Senator Macdonald, that was a point of order.</p> <p><b>Senator IAN MACDONALD</b>—I was told at another committee there is no such thing as a point of order in these committees.</p> <p><b>CHAIR</b>—That is not my view, and I think Senator Abetz had the call.</p> <p><b>Senator ABETZ</b>—I will withdraw the question and allow Senator Macdonald to ask a question.</p> <p><b>Senator IAN MACDONALD</b>—Mr D’Aloisio, Senator Abetz asked if you could report back to him and the committee. Could I suggest that if the facts are as Senator Abetz outlines them that perhaps you would be taking other actions irrespective of this committee to ensure the law is upheld?</p> <p><b>Mr D’Aloisio</b>—I am keeping my comments general and I want to be helpful. But these are very serious issues that have been raised and, as ASIC has a regulatory authority, I would like to</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>take that on board. We will assess and come back to the committee if our inquiries require us to go any further. If they then require us to go into some form of investigation we will let you know and take action as we the commission then consider appropriate.</p> <p><b>CHAIR</b>—Thank you.</p> <p><b>Senator IAN MACDONALD</b>—My point is: first of all, do not wait to come back to the committee. Obviously you do not need me to say this. If you find wrongdoing you will pursue your legal course.</p> <p><b>Mr D’Aloisio</b>—Absolutely.</p> <p><b>CHAIR</b>—I think we can take that as read, Senator Macdonald. Senator Abetz have you finished your questions?</p> <p><b>Senator ABETZ</b>—But you would agree with me that these are serious issues, at least in the abstract, and you can have a look at the actual detail.</p> <p><b>Senator Sherry</b>—Mr D’Aloisio has indicated it has been taken on notice. Adjectives and descriptions are your words, no-one else’s.</p> <p><b>Senator ABETZ</b>—Minister, your overanxiousness to defend the minister is applaudable, but Mr D’Aloisio—</p> <p><b>CHAIR</b>—Senator Abetz, we have a lot of questions.</p> <p><b>Senator ABETZ</b>—Mr D’Aloisio actually mentioned the words ‘serious issues’. I took a note of them. I have just confirmed them, and for the minister to assert that I used that terminology is factually wrong—the <i>Hansard</i> will bear it out. The chairman used those words.</p> <p><b>Senator Sherry</b>—The question has been taken on notice.</p>				
<b>Storm Financial</b>								
<b><u>AET-71</u></b>	Williams	ASIC	25/02/2009	<p><b>Senator WILLIAMS</b>—When did ASIC first receive any complaint about Storm? From whom did that complaint come—a client, the FPA or a bank?</p> <p><b>Senator Sherry</b>—That was touched on in the opening remarks in a couple of places. My assumption is that was the totality of</p>	E133-E134	22/05/2009	25/05/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>the contact.</p> <p><b>Mr D'Aloisio</b>—Prior to 2006 there were communications between us and Storm in relation to routine surveillances on financial planners on issues of disclosure that we went through with them. Between 2006 and 2007 there were four complaints about Storm which did not come from clients of Storm. Those issues concerned disclosure of fees and the level of fees, which Storm addressed. As I said, we also looked at the prospectus which outlined the model that Storm lodged when it wanted to do a public listing. In early 2008 we had a call to our call centre. At the end of October 2008 there were a number of calls from investors of Storm, and that precipitated our further involvement, which led to the full investigation. Again, I am happy to take it on notice. As I said at the start of those comments, we did the work on looking at those complaints so that I could give you an update. We will look even more carefully through our records. If there is other material there, we are happy to disclose it. My point is that those were routine and we feel that they were not a smoking gun issue.</p>				
<i>Selling of shares</i>								
<u>AET-72</u>	Williams	ASIC	25/02/2009	<p><b>Senator WILLIAMS</b>—When the banks or CGI just sold out the shares, did they contact the investors first or did they just go and sell them and then phone up the investor: ‘We’ve sold your shares; you’re now in this position’?</p> <p><b>Mr D'Aloisio</b>—But, Senator, there is a legal question and a commercial question. The legal question under typical margin lending agreements may well give the lender the right to sell at any time. It may.</p> <p><b>Senator WILLIAMS</b>—Yes.</p> <p><b>Mr D'Aloisio</b>—They do not all do that. Some do. I do not have the—</p> <p><b>Senator WILLIAMS</b>—I believe a lot have just got a letter saying, ‘We’ve sold your shares.’</p> <p><b>Mr D'Aloisio</b>—The commercial approach and the client-</p>	E134	22/05/2009	25/05/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				customer relationship approach would normally tell you that banks would call before they would act. Again, it is something to take on notice for us to have a look at. But, from a legal point of view, because margin lending is not regulated, it is a contractual matter and, yes, a lender theoretically could have the legal power to do that, to just sell the assets and not tell you, because it is seeking to cover its position on the margin loan. It is very unusual in my experience—very unusual.				
<b><i>Pensioners and retired persons – ability to repay loans</i></b>								
<b><u>AET-73</u></b>	Macdonald	ASIC	25/02/2009	<p><b>Senator IAN MACDONALD</b>—There is one other thing that I want to raise, and I know Senator Williams has this concern. Perhaps you will have to take this on notice because I do want to give the last 90 seconds to Senator Heffernan. I have had reports that people were referred to a bank, and forms were filled in—for pensioners or retired people who clearly had no ability to repay—saying, ‘Yes, this person has a high income.’</p> <p><b>Mr D’Aloisio</b>—We will take that on notice, and you can assume that we are carefully looking into that.</p> <p><b>Senator IAN MACDONALD</b>—And you need details of any that you can get.</p>	E138	22/05/2009	25/05/2009	
<b><i>Multiplex, Stoneglow Limited and the CFMEU</i></b>								
<b><u>AET-74</u></b>	Heffernan	ASIC	25/02/2009	<p><b>Senator HEFFERNAN</b>—Thanks very much. The difficulty with some of this for me is that well-meaning people mortgaged their home and, unknown to them, there was an additional arrangement with Macquarie Bank; they sold their home, Macquarie Bank got the money and they were left holding the baby. On 10 September 2007 I contacted the New South Wales police on a matter of allegations of criminal behaviour by the CFMEU and Multiplex. The police referred me to ASIC. So I wrote to you on 16 November 2007, and you said:</p> <p>I note that it is not evident to ASIC whether the affidavit</p>	E138	22/05/2009	25/05/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>material that detailed alleged misconduct by Multiplex, Stoneglow Limited and officers of the CFMEU has been filed and accepted by a court in evidence in legal proceedings. Are you aware that it is now before the courts?</p> <p><b>Mr D'Aloisio</b>—I am not personally, but I will take that on notice.</p> <p><b>Senator HEFFERNAN</b>—Thanks very much. You say later—</p> <p><b>Mr D'Aloisio</b>—Our office does, but I do not personally.</p> <p><b>Senator HEFFERNAN</b>—with great respect, and I am grateful for your assistance, and this is a very attentive letter: You may wish to consider referring this matter to the Industrial Registry of the Industrial Relations Commission or the Australian Industrial Relations Commission— which I have done. Are you aware that Mr Andrew Ferguson, who is the head of the union that has this problem and which is now going to court, announced yesterday that he is taking absence of leave to leave Australia for six months for unknown reasons to go and live in Cuba?</p> <p><b>Mr D'Aloisio</b>—No. We will take that on notice.</p> <p><b>Senator HEFFERNAN</b>—Thanks very much.</p>				
<b>AET-75</b> see written questions on notice above								
<b>Retail surveys</b>								
<b>AET-76</b>	Abetz	ABS	26/02/2009	<p><b>Senator ABETZ</b>—The surveys you do I find to be vitally important. I have always thought that but now in my role as shadow science and research minister it has been reinforced to me by a whole host of people that the work that the ABS does is absolutely vital, irrespective of what sector you are in. That raw data and information that you collect is fundamental to future planning no matter in what area or pursuit you are in. The information you collect is vitally important. There are two areas I would like to concentrate on today. First are retail surveys. I understand you used to do them monthly. It then</p>	E4-E5	23/04/2009	23/04/2009	



Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>went quarterly; is that right?</p> <p><b>Mr Ewing</b>—No. The survey is monthly and was always monthly. What we did do was reduce the size of the sample of small firms in the monthly collection.</p> <p><b>Senator ABETZ</b>—From what to what? Are you able to tell us?</p> <p><b>Mr Ewing</b>—I do not know the exact number; Bronwyn?</p> <p><b>Ms Driscoll</b>—It is about a 60 per cent reduction in the size.</p> <p><b>Senator ABETZ</b>—A 60 per cent reduction in anybody's language is a fairly significant reduction. When you say 60 per cent, what does that mean in actual numerical terms?</p> <p><b>Ms Driscoll</b>—I would have to take that question on notice—</p> <p><b>Senator ABETZ</b>—Are we talking reducing it from 100 down to 40 or 1,000 down to 400 or 100,000—</p> <p><b>Ms Driscoll</b>—We are talking about reducing it from something around 10,000 down to something—</p> <p><b>Senator ABETZ</b>—Like 4,000?</p> <p><b>Ms Driscoll</b>—But I will confirm those numbers.</p> <p><b>Senator ABETZ</b>—In rough terms, and I will not hold you to it, I accept it is being taken on notice, from 10,000 to 4,000?</p> <p><b>Ms Driscoll</b>—That would be the order of magnitude of what has occurred.</p>				
<b><i>Budget process – expenditure for retail surveys</i></b>								
<b><u>AET-77</u></b>	Abetz	ABS	26/02/2009	<p><b>Senator ABETZ</b>—In January of this year? The government has had at least one month to respond. Were you given any indication as to when a response might be forthcoming?</p> <p><b>Ms Foggin</b>—It is within the normal budgetary process, which is not due just yet.</p> <p><b>Senator ABETZ</b>—When is that? When would you expect to be told?</p> <p><b>Ms Foggin</b>—I have not got a clear date. I might have to come back to you.</p>	E5	14/04/2009	14/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
<i>Employment within the ABS</i>								
<u>AET-78</u>	Abetz	ABS	26/02/2009	<p><b>Senator ABETZ</b>—Are you able to tell us how many full-time equivalents you had in the ABS before the last budget and how many full-time equivalents you have now? In other words, how many jobs have been shed from the ABS since the government came in?</p> <p><b>Ms Murphy</b>—As of September 2008, I have a head count number of 2,943.</p> <p><b>Senator ABETZ</b>—When you say head count, is that FTEs?</p> <p><b>Ms Murphy</b>—I would have to—</p> <p><b>Senator ABETZ</b>—Most of them would be full time?</p> <p><b>Ms Murphy</b>—No, we actually have a high level of part-timers.</p> <p><b>Senator ABETZ</b>—You do? All right.</p> <p><b>Ms Murphy</b>—So I would have to come back with the full-time figure for the equivalent period.</p> <p><b>Senator ABETZ</b>—I would hate to make a statistical error. If you could assist me in that, that would be very helpful.</p>	E7	14/04/2009	14/04/2009	
<i>2011 census</i>								
<u>AET-79</u>	Abetz	ABS	26/02/2009	<p><b>Senator ABETZ</b>—We are going through the current areas. Can I just ask, in relation to the freeze on the census, are we finding out from this international conference, where the Australian Statistician is, how many other countries have had the foresight in these difficult circumstances to cut the census and thereby, I imagine, the quality of the census? Do we know how many other countries are following suit?</p> <p><b>Mr Farrell</b>—The United States, Canada and New Zealand are three countries that I know of that are having considerable consideration of their budgets for the population census. The matter has been a major issue in congress in the United States. There is a consideration of the methodologies being used for conducting the census in New Zealand as well, and in recent censuses Canada has significantly changed the way it undertakes its census.</p>	E7-E8	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Senator ABETZ</b>—'Significantly changed'—does that mean freezing it, reducing the number of questions or increasing the number of questions?</p> <p><b>Mr Farrell</b>—In each country there are different social, technological and other impacts that are addressing how the census is conducted. Each country is going through different mechanisms to determine the best methodology at the time.</p> <p><b>Senator ABETZ</b>—Every country, I would hope, would go through that process to see what questions are relevant, what questions should be included, what depth of questioning should be undertaken et cetera and what information should be gathered. But what other countries are in fact cutting the chief information gatherer, if I can call the ABS that? It just seems to me a very retrograde step and I would be interested to know how many other countries in the world are doing that.</p> <p><b>Senator Conroy</b>—I am sure the officers do not have that information to hand, but we can take it on notice and see if there is any—</p> <p><b>Senator ABETZ</b>—They were very helpful last time when I asked them what cyclical periods ABS census data was collected over. I have tried them with trick questions from all sorts of countries and I have got all these wonderful answers because they are very knowledgeable, Minister. I think you do not do them due justice as to their knowledge of the international scene.</p>				
<i>Census – Northern Territory and the Kimberley</i>								
<u>AET-80</u>	Pratt	ABS	26/02/2009	<p><b>Senator PRATT</b>—Thank you very much. It has been put to me that at the last census there was a substantial undercounting of Aboriginal people in the Kimberley and the Northern Territory and that projections accounting for things like birthrates demonstrated that there should have been more people on the census. I think that represents some challenges for benchmarking things like the government's closing the gap policies. You might need to take this on notice, but could you</p>	E8-E9	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>report to me the extent of that problem and what may be being done by the ABS to rectify it.</p> <p><b>Mr Ewing</b>—Yes. I will ask Denis, who is across the detail of the census more than I am. You are correct: there was an undercount, though overall the census achieved a very high response rate. The undercount overall was about 2.5 per cent in the census in total. But, Denis, you might comment on the Indigenous situation.</p> <p><b>Mr Farrell</b>—It is very difficult to comment in general terms because it varies from area to area as to what the undercount measured was. I think taking the question on notice and getting a more specific understanding of the area that you are interested in would be useful. It is true that the undercount varies dramatically across Australia. Some areas are more difficult in terms of census operations than others and the undercount does vary from area to area. As Mr Ewing said, overall across Australia it was about 2.5 per cent, but it can range up to around about 30 per cent in some parts of the country.</p> <p><b>Senator PRATT</b>—Can I also ask then to what extent such an undercount is most apparent in marginalised groups about whom it is therefore probably more important that we collect information? Is there a correlation in a general sense? I appreciate that there can be wealthy people who are overseas or whatever and that they are naturally expected to be missing because they are not there on the night, but when you are looking at your source of data about your population, is it marginal groups that are most likely to be missing?</p> <p><b>Mr Farrell</b>—Marginal groups are affected, but it is not necessarily just marginal groups. An example is that often some quite wealthy areas are very difficult to enumerate because they are behind such strong security arrangements. There are a whole range of issues to do with the underenumeration. As I say, I think it is important to understand more precisely the area that you are interested in, in</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>order to be able to hone in directly on what the specific issues are.</p> <p><b>Senator PRATT</b>—Okay. In a general sense I am interested in remote Indigenous communities that have quite transient populations and quite young populations as well.</p> <p><b>Mr Farrell</b>—In a general sense I can comment that it is more difficult to enumerate in those circumstances. We need to put more resources, and we do put more resources, into the enumeration in those areas. In the last census we also extended the post-enumeration survey, which measures the level of undercount. We extended it in order to be able to better enumerate the undercount in areas such as the ones you are talking about. We are constantly trying to improve the methodologies and the operational arrangements associated with those sorts of areas.</p> <p><b>Senator PRATT</b>—Have you been able to significantly correct the data you did have, to make it more real in that sense?</p> <p><b>Mr Farrell</b>—The main population data used in Australia for total population is estimated resident population. It is not actually the census count. The census count is a contribution to that. We routinely produce estimated resident population information and that is adjusted for the net difference between people overseas, people absent on census night and underenumeration. So, yes, those estimated resident population numbers incorporate adjustments to take account of underenumeration and other factors.</p> <p><b>Senator PRATT</b>—Okay. Any further information you can provide on notice would be appreciated. Thank you.</p>				
<i>Statistic fund cuts – international comparison</i>								
<u>AET-81</u>	Abetz	ABS	26/02/2009	<p><b>Senator ABETZ</b>—Of course, if you had more resources you might be able to address those issues in the manner that Senator Pratt is suggesting. Could I invite you to take on notice whether or not funding to the ABS equivalent in other countries—the US, Canada, New Zealand and the UK and any other country</p>	E9	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>that you might think is comparable or informative—has been cut. Can you also tell us, as a result of the 100-and however-many job losses there were, if you can somehow quantify the expertise or the qualifications of some of the people that you have lost? How easy will it be to recruit that sort of quality of person in the event that the government comes to its senses—not census, Minister, but senses—in relation to providing funding again in the next budget round? And can I say thank you very much and I wish you all the best. Sorry, I have one other on behalf of Senator Bushby. I nearly forgot. There is an article in the <i>Australian Financial Review</i> dated 5 September 2008 entitled ‘A tale of two economies: how the ABS gets it wrong’. I was wondering if, on notice, you could possibly give a three- or four-paragraph or a page response to that article from the ABS perspective.</p> <p><b>Mr Ewing</b>—I would be happy to do that. We in fact responded to the article and a letter was published in the <i>AFR</i>, I think on the following day.</p> <p><b>Senator Conroy</b>—We will supply it to you. It is on the public record.</p> <p><b>Senator ABETZ</b>—Thank you very much for that. To save me looking it up, would you be so kind as to forward it to the committee. I am sure the letter will do, so we do not need any further detailed response. I was not aware that that had been responded to.</p>				
<b><i>Bonds held by AOFM</i></b>								
<b><u>AET-82</u></b>	Bushby	AOFM	26/02/2009	<b>Senator BUSHBY</b> — .... Can the AOFM tell me what percentage of the bonds that they are issuing are held in what categories? Do you have shorter term ones and longer term ones? I am also interested in knowing—and you may have to take this on notice—what percentage of the bonds that are issued are actually bought by Australians and what percentage are bought by people or institutions overseas. If we could have that breakdown that would be very useful. What does the	E14 & E15	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>AOFM consider are the risks to the credit rating of the Commonwealth from going further into debt? I know we are in a fairly low-debt situation at this point, but we are looking at going up to \$200 billion and at the same time we have also got the bank guarantee, which I imagine is something that ratings agencies would have a pretty close look at as well. What do you think is the risk to our credit rating in the next couple of years?</p> <p><b>Mr Hyden</b>—Shall I will take those questions in order?</p> <p><b>Senator BUSHBY</b>—I would like to hear your opinion on the last one now, if I can, about the risk to the credit rating.</p> <p><b>Mr Hyden</b>—Just on the instruments we are using, we are basically issuing into the existing lines of bonds that we have and they are spread over the curve from just over zero up to 13 years. At present the volume of those bonds on issue is fairly even. We filled each up to five billion and some, since we have been doing additional issuance, have gone up to six billion or so, but it is relatively even. In terms of the issuance going forward, we will judge which lines to issue into very much in terms of our assessment from week to week as to where the demand is greatest.</p> <p><b>Senator BUSHBY</b>—That would make sense. I am interested in how that has panned out. If you can give me some details on how it currently exists, then we can compare that in future estimates with trends as you experience changes in demand. I am quite happy for that to be taken on notice, but I am interested in your view on credit ratings and the risk to Australia’s credit rating. In that context, could you also inform the committee when our credit rating was last downgraded and then last upgraded?</p> <p>...</p> <p><b>Senator Sherry</b>—Chair, I will just clarify a question that Senator Bushby put. In terms of the breakdown between domestic Australian bond uptake and overseas—if it is</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				possible; I do not know—do you want a breakdown by country? <b>Senator BUSHBY</b> —If that is possible, that would be great. My main interest was how much it was going to be. By country would be a bit more useful.				
<i>Grocerychoice – number of hits</i>								
<u><b>AET-83</b></u>	Joyce	ACCC	26/02/2009	<b>Senator JOYCE</b> —I want to turn quickly to GROCERYchoice. How many hits or visits were there to the original version of GROCERYchoice in the month immediately before it was handed over to the consumer organisation Choice? <b>Mr Cassidy</b> —I am not sure; I do not have that figure. Unless one of my colleagues does, we might have to take that on notice. <b>Senator JOYCE</b> —Take it on notice. Do you know how many hits there were compared to the first month of the operation of the original GROCERYchoice? I also want to know how that number of hits compares to the first month of operation for the original GROCERYchoice website—I imagine that if you do not have one, you do not have the other? <b>Mr Cassidy</b> — We will take all of that on notice and give you those figures.	E20	23/04/2009	23/04/2009	
<i>Profiteering on petrol</i>								
<u><b>AET-84</b></u>	Fielding	ACCC	26/02/2009	<b>Senator FIELDING</b> —Has the ACCC written to the oil companies in the last month on the issue of profiteering on petrol? <b>Mr Samuel</b> —There have been communications with the oil companies over the past month in relation to a number of issues, but one specific issue that has arisen is that we have noted that the price spike that occurs as part of the weekly price cycle has had a greater amplitude than has been the case in the past. In normal price cycles the amplitude of the price spike	E22-E23	23/04/2009	23/04/2009	



Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>from the low trough—normally on Tuesday or Wednesday—to the spike that occurs either late Wednesday or early Thursday has generally been of the order of about 10 or 11 cents. We have noticed that that price spike has moved out to about 14 to 15 cents per litre. Mr Dimasi has been communicating with the oil companies as to that. At the same time I might point out that while that price cycle has been occurring with a greater amplitude we have actually also noticed that in Perth the price cycle appears for sometime now to have disappeared, and there is no price cycle in Perth. The price is remaining relatively flat. And I think in Brisbane the price cycle appears to be flattening out as well; it does not have the degree of amplitude that we have seen in the other cities.</p> <p><b>Senator FIELDING</b>—Would you be able to table the letters that you have written to them so we can know what you have requested from them? I am not asking you to table what they have responded to, but can you table your letters so that we and the public will know what you are actually asking them and asking them to explain?</p> <p><b>Mr Cassidy</b>—We will obviously take that on notice, because we do not have the letters with us. My answer would be, probably yes, but we would need to have a look at the letters just in case there is reference back to, say, earlier correspondence which has confidential elements to it. But on the face of it I do not see why not, but let us take it on notice.</p>				
<b>Horticulture Code</b>								
<b>AET-85</b>	Boswell	ACCC	26/02/2009	<p><b>Senator BOSWELL</b>—My questions are on the horticultural code. Do we have the right person there?</p> <p><b>Mr Cassidy</b>—Yes; Mr Ridgway is just shuffling up to the table.</p> <p><b>Senator BOSWELL</b>—How much has the ACCC spent on information and education activities?</p> <p><b>Mr Ridgway</b>—I am sure we have a figure on the actual dollars spent, but we have undertaken quite a number of activities in</p>	E25	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>relation to promotion.</p> <p><b>Mr Cassidy</b>—If we take that on notice, we can give you a figure, but please be a bit more precise about timing, or do you want to go back to since it came in?</p> <p><b>Senator BOSWELL</b>—Okay, so you will take that on notice?</p> <p><b>Mr Cassidy</b>—Yes, but the time frame: do you want to go back the past few years?</p> <p><b>Senator BOSWELL</b>—Let us go back to when we started this?</p> <p><b>Mr Cassidy</b>—Okay.</p> <p><b>Senator BOSWELL</b>—Do you want to enhance that answer?</p> <p><b>Mr Ridgway</b>—Indeed, I am looking at notes here. The work we have done, as well as working through the usual media releases and getting information into the mainstream media, we have also established a fairly extensive subscription service for a number of the growers and other traders in the horticulture supply chain to be alerted to developments on horticulture code related issues. We have been working fairly closely with grower organisations and industry associations around the country to ensure that clear information on the code is getting through to them and to their members.</p> <p><b>Senator BOSWELL</b>—How much has the ACCC spent on compliance activities?</p> <p><b>Mr Ridgway</b>—Again, we will take that question on notice, if that is okay?</p> <p><b>Senator BOSWELL</b>—Okay.</p>				
<i>Horticulture Code (No. 2)</i>								
<u>AET-86</u>	Boswell	ACCC	26/02/2009	<p><b>Senator BOSWELL</b>—...How effective has these activities been, bearing in mind the wide noncompliance with the code throughout the horticultural industry?</p> <p><b>Mr Ridgway</b>—The compliance works undertaken since the code has been introduced have varied from the initial stages of a focus on education, then moving into more compliance tools by working with the traders who have contravened requirements of the code and, more recently, to a court based</p>	E25-E26	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>outcome. Our understanding is that the message about the code is increasingly being heated, certainly by the wholesalers, and the capacity and the will of the ACCC to take court based action is needed, and has also gotten through to that sector.</p> <p><b>Mr Samuel</b>—You need also to keep in mind, Senator, in this context some of the analysis that was undertaken of the horticultural code was part of the grocery inquiry.</p> <p><b>Senator BOSWELL</b>—I am coming to that.</p> <p><b>Mr Samuel</b>—There is a chapter on that, but it is worth observing that during the course of that inquiry, the information that was coming to us was very mixed and in some cases quite contradictory as to the desire of growers in particular to abide by or to adhere to the provisions of the code.</p> <p><b>Senator BOSWELL</b>—Have you taken any court action or any action on this?</p> <p><b>Mr Cassidy</b>—Yes, we have.</p> <p><b>Senator BOSWELL</b>—How many times?</p> <p><b>Mr Ridgway</b>—We have had one court based outcome to date. Federal Court proceedings in Darwin against Grove &amp; Edgar found that there had been breaches of the horticulture code.</p> <p><b>Mr Samuel</b>—There have also been a number of matters that have been resolved through the process of section 87B on undertakings, which is, if you like, the next stage down.</p> <p><b>Senator BOSWELL</b>—How many of those have there been?</p> <p><b>Mr Samuel</b>—We might have to take that on notice to give you the exact number.</p>				
<b><i>Recommendations for the Horticulture Code</i></b>								
<b><u>AET-87</u></b>	Boswell	ACCC	26/02/2009	<p><b>Senator BOSWELL</b>—This is my last question: the terms of reference for the new code committee focus on the implications of implementing the ACCC's recommendations; however, who is going to consider whether the implementation of the ACCC's recommendations would deliver on the original intent of the code?</p> <p><b>Mr Cassidy</b>—That would be a policy matter for government,</p>	E27	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				ultimately, I would have thought. <b>Senator Sherry</b> —I will take it on notice, Senator Boswell.				
<i>Invitation to petrol presentations by Mr Dimasi</i>								
<b><u>AET-88</u></b>	Fielding	ACCC	26/02/2009	<b>Senator FIELDING</b> —I have one question on a point of clarification. There was a suggestion made that my office had received an invite for a briefing; we cannot find it. I am happy for you to take that on notice to find a copy. We cannot find it at all in the office, but I am happy if you could point to where the invite was. <b>Mr Samuel</b> —I will check that out, Senator. It may have been that the initial briefings were to members of the House of Representatives as distinct from senators, but the briefings are there and they are available.	E27	23/04/2009	23/04/2009	
<i>Communication between Mr Gregson and Mr Martine</i>								
<b><u>AET-89</u></b>	Brandis	ACCC	26/02/2009	<b>Senator BRANDIS</b> —Please, Mr Samuel, let us not be euphemistic about this. There would not be just difficulties under the Trade Practices Act; that would be the plainest case of a breach of section 45 of the Trade Practices Act on the hypothesis you have just advanced, would it not? It would be a plain case of a breach of section 45? <b>Mr Cassidy</b> —You are correct. We have been given some fairly general details of what this proposed institution will do and some fairly general guidance. We have not been given specific details as to how it will operate, so we have not been able to say, ‘Yes, well, on the basis of what you have put to us, we either see a problem or we do not see a problem.’ <b>Senator BRANDIS</b> —You have referred to general guidance, Mr Cassidy. <b>Mr Cassidy</b> —That is right. <b>Senator BRANDIS</b> —Where has that general guidance come from? <b>Mr Cassidy</b> —It has basically come from Mr Gregson, who is	E28-E29, E31 & E33	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>sitting on my right, and from me.</p> <p><b>Senator BRANDIS</b>—Mr Gregson?</p> <p><b>Mr Cassidy</b>—Because we were the two who were dealing with Treasury on it.</p> <p><b>Senator BRANDIS</b>—I am sorry. Well, Mr Gregson, you are the man within the ACCC who is primarily responsible for looking at this issue, are you?</p> <p><b>Mr Gregson</b>—That is correct. I was the person who dealt with Treasury on that matter in January.</p> <p><b>Senator BRANDIS</b>—All right. With whom at Treasury did you deal?</p> <p><b>Mr Gregson</b>—Mr David Martine.</p> <p><b>Senator BRANDIS</b>—Mr Martine. Has a document outlining the proposal or addressing the proposal been given to the ACCC by Treasury?</p> <p><b>Mr Gregson</b>—That is right. In January a high level document was provided to us.</p> <p><b>Senator BRANDIS</b>—Can we have a copy of that, please?</p> <p><b>Mr Gregson</b>—We can take that on notice, but I suspect there may be issues with that.</p> <p><b>Senator BRANDIS</b>—Well, you take that on notice, please. Given that Mr Cassidy has addressed this at a level of generality, can you be a little more specific, please, Mr Gregson? What specifically was it that Mr Martine put to you?</p> <p><b>Mr Gregson</b>—Put to me in the sense of the nature of the arrangements or the queries?</p> <p><b>Senator BRANDIS</b>—The nature of the arrangement first, please.</p> <p><b>Mr Gregson</b>—I might take that on notice. There are issues as to what I can provide in relation to the sensitivities of that.</p> <p><b>Senator BRANDIS</b>—All right. Rather than waste time, Mr Gregson, would you just take on notice my general question? I would like full details of what was conveyed by Treasury, by Mr Martine and his other officers, to the ACCC in relation to this matter, either verbally or in the form of a document? You</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>will consider that and we will consider your answer. Mr Samuel, you will see in the article in the <i>Australian</i> that Professor Ergas is quoted as saying:  The four major banks who will be shareholders, who otherwise compete for the supply of finance to property developers, will be agreeing on the terms and conditions on which an entity of which they are owners will make loans to property developers. If it is as Professor Ergas describes, absent an authorisation or an amendment to the act to create a carve-out, how could that be otherwise than anticompetitive behaviour?</p> <p><b>Mr Samuel</b>—The difficulty is that we are dealing in generalities at the moment. I notice that Dr Ergas goes on in the article to say:  They are competing in the supply of this service of providing finance to property developers. Because they will continue to compete outside of the structure, and in the structure they then reach agreements about loans that are substitutes for the loans that they provide in the market, that amounts to a price-fixing agreement.</p> <p><b>Senator BRANDIS</b>—Well, as you—  <b>Mr Samuel</b>—Just let me finish, Senator. I think, with respect to Dr Ergas, that is probably not an accurate statement about what the commercial property bank will be doing, because he says here, ‘They can reach agreements about loans that are substitutes for the loans that they provide in the market.’ As I understand it, these are not substitutes for loans that the four major banks will provide in the market; they are substitutes for loans that others, that is foreign banks, would otherwise provide.</p> <p><b>Senator BRANDIS</b>—It does not matter, Mr Samuel. You and I both know that if competitive parties decide to segregate a market or to enter into a market vacated by other parties that had previously been competitors in the market and they decide to divide up that new sector of the market and reach agreement on price and conditions and so on in relation to that new sector</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>of the market, for the purposes of this exercise the sector vacated by the foreign banks, that still falls foul of section 45. Doesn't it?</p> <p><b>Mr Cassidy</b>—What you are saying is, in essence, correct.</p> <p><b>Senator BRANDIS</b>—Thank you.</p> <p><b>Mr Cassidy</b>—I think this will be revealed assuming there is no impediment to us providing the material you have asked for on notice.</p> <p>...</p> <p><b>Senator BRANDIS</b>—I asked about what particularly was being sought and did not get an answer, and I do not criticise that. Mr Gregson said he would take it on notice.</p> <p>...</p> <p><b>Mr Samuel</b>—I assure you on the advice given, Senator, I do not think you will find that we have crossed any lines on that.</p> <p><b>Senator BRANDIS</b>—Well, let us have a look at the email exchange, and I am sure even my sceptical mind might be able to be put at ease.</p>				
<b>Gene patenting</b>								
<b><u>AET-90</u></b>	Joyce	ACCC	26/02/2009	<p><b>Senator JOYCE</b>—Could I just put one question on notice before you go there. Monsanto and gene patenting is an issue that is been brought to life through domination of the marketplace by the capacity of someone to get themselves into a position of gene patenting and we have the experiences in the United States. Have these issues been brought to your attention and is there any current investigation about certain arrangements or peculiar arrangements that Monsanto has beguiled, wheedled, inveigled people into that has brought about a complete dislocation of a true marketplace in the sale and production of seed and the receipt of seed?</p>	E35	23/04/2009	23/04/2009	

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p><b>Mr Cassidy</b>—Senator, I think you were putting that question on notice?</p> <p><b>Senator JOYCE</b>—Yes, I am. You can take it on notice but just tell me: have you had any cursory investigations?</p> <p><b>Mr Cassidy</b>—We have had some involvement with that issue, so that is taken on notice.</p> <p><b>Senator JOYCE</b>—Thank you.</p>				
<i>Grocerychoice and a non-government organisation</i>								
<u><b>AET-91</b></u>	Brandis	ACCC	26/02/2009	<p><b>Senator BRANDIS</b>—More than half of the \$3.64 million was the capital cost of getting this going. The \$1.5 million for the development, and presumably some of those other figures you have quoted about salaries and so on, were in relation to the development as well. Is it an unusual thing, after so much public money has been spent by a Commonwealth agency to develop the intellectual property and web presence of GROCERYchoice, that that would be just given away to a nongovernment organisation? Have you ever heard of that happening?</p> <p><b>Mr Cassidy</b>—I cannot say that I can recall another instance. On the other hand, I am probably not in a terribly good position for running my eye across the Commonwealth public sector and making that sort of judgment.</p> <p><b>Senator Sherry</b>—I will take that on notice and see if there is another instance.</p> <p><b>Senator BRANDIS</b>—Thanks, Senator Sherry.</p>	E36	23/04/2009	23/04/2009	
<i>Methane emissions</i>								
<u><b>AET-92</b></u>	Boswell	Treasury	25/02/2009	<p><b>Senator BOSWELL</b>—Thank you. I am interested in agriculture and I am sure Senator Milne is too. I will go to agriculture, as just one example. On page 9 of his report, Dr Fisher says:</p> <p>In the case of agriculture, it is unclear how the large emission reductions would be achieved in the face of substantial</p>	E72-E73	23/04/2009	23/04/2009	



Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>increases in output relative to the level in 2008 as suggested by the sectoral results of the Treasury modelling. In a country where competitiveness will continue to depend on extensive rangeland agricultural production of sheep and cattle it is difficult to imagine that technology will become available in the near future to enable major reductions in methane output from rangeland agriculture.</p> <p>I have to go out and explain this to farmers. I represent farmers and I have to go out and tell them how they are going to stop their cattle emitting methane. Can you tell me what advice I can give to farmers so that they can stop their cattle emitting methane?</p> <p><b>Ms Quinn</b>—I am no expert on precise emission reduction technologies in different categories of the economy—not cattle, sheep, kangaroos or anything else. We sought expert advice from people who know about this more than other people and I in Treasury know.</p> <p><b>Senator BOSWELL</b>—What is the expert advice so that I can pass it on to farmers?</p> <p><b>Ms Quinn</b>—Sure. The expert advice suggests that there are changes in land management and animal management that can reduce emissions. For example, we know that cows raised in feedlot processes produce lower emissions than those that are on long-range grazing land.</p> <p><b>Senator BOSWELL</b>—That is very interesting. But, say, you have one million acres on which there are 1,700 cattle; what do we have to do—go out and hand feed those 1,700 cattle every year?</p> <p><b>Senator MILNE</b>—Treasury cannot tell you about agricultural practices.</p> <p><b>CHAIR</b>—Yes. Senator Boswell, we do have a number of other senators who wish to ask questions. I do think agriculture is probably the place to ask that question.</p> <p><b>Senator XENOPHON</b>—I do have a supplementary directly related to that—although not in relation to flatulent cows—</p>				

Q No.	Senator	Agency	Hearing date	Question	Proof Hansard Page	Date answered	Date sent to Senator	Additional Information
				<p>regarding the issue of modelling, which I think is an important issue arising here.</p> <p><b>Senator ABETZ</b>—Chair, perhaps I can raise one issue here—and it is a difficulty that I think we all face. If Senator Boswell had asked that question in Rural and Regional, they would have said, ‘Oh, modelling on the ETS—</p> <p><b>Senator BOSWELL</b>—They did.</p> <p><b>Senator ABETZ</b>—you’ve got to go to Treasury.’ You then go to Treasury and they say, ‘Oh, well, on aspects of cows emitting methane, you have to go elsewhere.’</p> <p><b>CHAIR</b>—Senator, to be fair, Treasury did not say that; I did.</p> <p><b>Senator ABETZ</b>—No, but that is one of the difficulties. Treasury do not have the expertise, and we can understand that. Potentially Treasury might be kind enough to assist by ‘farming out’—if I can use that term— the question to the appropriate department. Senator Boswell has more years under his belt in this place than I have but, even after 15 years, you often try to raise questions in one area only to be told that you should have asked them in another and that other committee is no longer meeting.</p> <p><b>Senator MILNE</b>—CSIRO will be on tomorrow; come and ask them.</p> <p><b>Senator ABETZ</b>—Perhaps I could just make that suggestion and the officials could do that.</p>				