

ECONOMICS LEGISLATION COMMITTEE

QUESTIONS ON NOTICE – ADDITIONAL ESTIMATES – 23-24 FEBRUARY 2011

TREASURY PORTFOLIO

Q No.	Program: Division or Agency	Senator	Broad Topic	Question	Proof Hansard Page & Hearing Date or Written Q	Date received	Date Tabled
1	1.1 Treasury	Cash	Gambling reform and pre-commitment #1	If a pre-commitment scheme were to be introduced, what ID requirements would a player turning up to a venue on a Saturday night require?	Written	19/04/2011	12/05/2011
2	1.1 Treasury	Cash	Gambling reform and pre-commitment #2	How many problem gamblers will be assisted by mandatory pre-commitment?	Written	27/04/2011	12/05/2011
3	1.1 Treasury	Cash	Gambling reform and pre-commitment #3	What do you estimate to be the total cost of implementation of a mandatory pre-commitment across the country? How is the estimate calculated/derived?	Written	31/05/2011	23/06/2011
4	1.1 Treasury	Cash	Gambling reform and pre-commitment #4	Does the Commission believe the problem gambling prevalence rate can ever reach zero in Australia? What rate does the Commission believe is achievable?	Written	19/04/2011	12/05/2011
5	1.1 Treasury	Cash	Gambling reform and pre-commitment #5	Given that your original timetable had mandatory pre-commitment rolled out between 2016 and 2018, is the Government's accelerated timetable to roll out mandatory pre-commitment by 2014 achievable?	Written	27/04/2011	12/05/2011
6	1.1 Treasury	Cash	Gambling reform and pre-commitment #6	According to your timetable, given work has not commenced on developing standards and design features, are we not already behind schedule in implementing mandatory pre-commitment by 2016?	Written	31/05/2011	23/06/2011
7	1.1 Treasury	Cash	Gambling reform and pre-commitment #7	What are the consequences of adopting mandatory pre-commitment without a proper trial, as you recommended in the report?	Written	27/04/2011	12/05/2011
8	1.1 Treasury	Cash	Gambling reform and pre-commitment #8	The Nova Scotia Government conducted an extensive, long-term trial of pre-commitment; as a result they adopted a voluntary system. What evidence are you relying on to suggest that a mandatory pre-commitment system will be more effective than a voluntary pre-commitment system?	Written	14/04/2011	12/05/2011

9	1.1 Treasury	Cash	Gambling reform and pre-commitment #9	In what trials has mandatory pre-commitment resulted in a reduction of problem gambling prevalence rates?	Written	19/04/2011	12/05/2011
10	1.1 Treasury	Cash	Gambling reform and pre-commitment #10	I draw your attention to comments from Professor Alex Blaszczynski from the University of Sydney who is a member of the Ministerial Expert Advisory Group on Gambling. It is the Professor's contention that because of the nature of their addiction, problem gamblers can't make a rational choice about what kind of limit to set. Based on that, is it fair to say that problem gamblers may be likely to either set very high limits, or no limits at all?	Written	19/04/2011	12/05/2011
11	1.1 Treasury	Cash	Gambling reform and pre-commitment #11	Professor Blaszczynski has also suggested that mandatory pre-commitment may actually delay some problem gamblers from seeking assistance or treatment. Rather than prolong the gambling experience, isn't the best solution for problem gamblers to stop gambling altogether and receive counselling?	Written	31/05/2011	23/06/2011
12	1.1 Treasury	Cash	Gambling reform and pre-commitment #12	If problem gamblers can act rationally away from the venues, when they are meant to set their pre-committed limits, what drives them to go to the venues in the first place?	Written	19/04/2011	12/05/2011
13	1.1 Treasury	Cash	Gambling reform and pre-commitment #13	According to the Commission's report, each problem gambler spends about \$21,000 on average per year. Based on a figure of 95,000 problem gamblers playing poker machines, this accounts for only \$2 billion a year. When the total poker machine expenditure in Australia is almost \$12 billion per year, why is it claimed that 40 per cent of poker machine expenditure comes from problem gamblers when your figures come up with less than 17 per cent?	Written	31/05/2011	23/06/2011
14	1.1 Treasury	Cash	Gambling reform and pre-commitment #14	What would happen if a mandatory pre-commitment system was in operation and a player reached their limit' what form of intervention would be required? Would the player need to be excluded from the venue? Would an enforced break be required? Could the player continue gambling if they choose to?	Written	19/04/2011	12/05/2011
15	1.1 Treasury	Cash	Gambling reform and pre-commitment #15	The Commission has suggested exempting occasional gamblers who only want to play \$20 from pre-commitment through the purchase of something like a pre-paid card. How was the \$20 figure reached?	Written	19/04/2011	12/05/2011
16	1.1 Treasury	Cash	Gambling reform and pre-commitment #16	How would you prevent a player from purchasing more than one pre-paid card in one night? If the venue is busy, how can it prevent someone from buying five or ten of these cards?	Written	27/04/2011	12/05/2011
17	ATO	Williams	Excess Contributions Tax	Excess Contributions Tax on superannuation funds occurs when a member contributes a sum in excess of the permitted limits to a superannuation fund. It can happen where a member or his advisor contributes more than the allowable limit by mistake. As at the 31 st of October, 2010, the National tax Liaison Group had received 524 applications for the	Written	13/04/2011	12/05/2011

				<p>exercise of discretion to not impose excess contributions tax, and 66 had been approved in part or full.</p> <p>The Tax Office has issued a Fact Sheet which indicates that their discretion will only be exercised in extreme cases.</p> <p>For example, I am told an elderly man who was suffering from a range of medical conditions inadvertently paid more money in than allowed and was forced to pay \$13,000 in Excess Contributions tax.</p> <ol style="list-style-type: none"> 1. How does the Tax Office determine who should get leniency and who should not? 2. Is there a set penalty for each offence? 3. Should not the penalties be downscaled if it can be proven it was genuine mistake? 4. Are circumstances as outlined above taken into account? 5. Is there an appeal mechanism? 			
18	ATO	Williams	Letters to Taxpayers	<p>The Australian tax Office sends out letters to people who they believe have understated their income. The wording generally is – “<i>we recommend that you take the time now to review your tax reporting. We are writing to you as you have reported taxable income that appears to be lower than required to support your personal living expenses</i>”.</p> <p>Basically they are trying to round up people they believe are trading in the cash economy. However, in cases the wrong people are being targetted as indicated below</p> <ol style="list-style-type: none"> 1. How are taxpayers selected for review? 2. When you review a taxable income of an individual, what do you compare it with? 3. When you review a taxable income, do you do any background work as to the reason why the income may be down? 4. Do you take into account people working in areas of drought such as farmers and those who depend on the rural sector? 5. I have evidence that the Tax Office has sent “please explains” to sheep/wheat farmer in the Tullamore district of NSW which has been in severe drought. Another was sent to a bullozer owner/operator whose work is almost exclusively for farmers and therefore has had little work, and also did some 	Written	15/04/2011	12/05/2011

				<p>share farming in the drought and lost money. And a second hand machinery dealer whose sales were badly affected by the drought received.</p> <p>These people are being put through unnecessary stress and shouldn't be targeted. Can this system be reviewed?</p>			
19	Treasury	Cormann	Proposed Cuts	<p>Senator CORMANN—Thank you. The government has now reversed, of course, some of its proposed cuts in order to get support from either key House of Representative members or key senators in these sorts of negotiations. There is a hundred million dollars from the Solar Flagship program in the forward estimates and \$264 million for the National Rental Affordability Scheme. Have you identified alternative savings to replace these spending cuts or these spending cuts that have been reversed?</p> <p>Dr Henry—Not to my knowledge. These would be matters for Fiscal Group, who will be appearing before you later, or alternatively, of course, the department of finance.</p> <p>Senator CORMANN—Fair enough. The advice we have had from the finance department is that there is still uncertainty as to what the actual exposure of the Commonwealth is going to be. If the bill ends up being more than the \$5.6 billion or whatever that has been talked about, would any further increase in that bill be funded through the levy/increase in income tax or through spending cuts?</p> <p>Dr Henry—That is a question for the Treasurer.</p> <p>Senator Sherry—It is a hypothetical, but I will take the hypothetical on notice and see whether the Treasurer wants to respond.</p>	E31 24/02/2011	08/09/2011	
20	ATO	Bob Brown	MIS Plantation investments	<ol style="list-style-type: none"> 1. Is it the case that the Tax Commissioner must deem MIS plantation investments as commercially viable (via a product ruling) before they qualify as tax deductible investments? 2. Has the commissioner reviewed the rulings in relation to MIS plantations following the collapse of most of them in the past two years? If so, on what basis does the commissioner deem new schemes to be commercially viable? 3. Specifically, investors in Macquarie Forestry Investment 2010 paid an upfront (tax deductible) cost of \$10,208 per hectare to establish plantation MIS for the financial year 2009/10 (under ATO Product Ruling 2010/9). At the same time (June 2010) Midway reported to ASIC that its standing eucalypt/softwood plantations (excluding land) were valued at \$6892 per hectare. This is a conservative comparison because Macquarie's plantations don't yet exist while Midway has standing trees. On what basis does the commissioner deem Macquarie's MIS scheme to be commercially viable and therefore qualifying for tax deductibility? 	Written	13/04/2011	12/05/2011
21	Treasury	Bob Brown	Joint Treasury and RBA ATM Taskforce report	<ol style="list-style-type: none"> 1. Is the joint Treasury and Reserve Bank of Australia ATM Taskforce report on issues affecting Australian Indigenous and other remote communities still on track for completion at the end of February? 2. Is this report expected to be publicly released? If so, how and when will this happen? 3. Will Treasury formally respond to the taskforce's recommendations? What 	Written	14/04/2011	12/05/2011

				steps will Treasury take to ensure that people in remote Aboriginal communities are made aware of the Taskforce's findings and recommendations?			
22	ACCC	Ryan	ACCC - Channel Shifting	<p>Is the Department aware that smaller retailers have expressed concerned about customers taking their patronage from small retailers to large supermarkets if plain packaging for cigarettes is introduced?</p> <p>If yes, what steps has the Department taken to address those issues for small retailers? If not, will the Minister undertake to refer this matter for proper consideration?</p> <p>Given that Coles and Woolworths has around 75 per cent of total market, what steps has the Department taken to address those issues for small retailers? If not, will the Minister undertake to refer this matter for proper consideration?</p> <p>Has the Government received representations from large retailers, like Coles or Woolworths? What was the nature of those representations (please provide copies of materials supplied).</p> <p>How many meetings, and on what dates did these meeting occur between representatives of Coles and Woolworths and your Department or with the Minister?</p> <p>Will the Minister rule out compensating small retailers if plain packaging is introduced and shown that small retailers have lost revenue by channel shift to Coles and Woolworths.</p>	Written	14/06/2011	23/06/2011
23	ATO	Ryan	Super for the self employed	<p>How many self employed people made tax deductible superannuation contributions in the years: 2006-07, 2007-08, 2008-09, 2009-10 and how much did they claim?</p> <p>If possible, can the ATO provide this data broken down by industry sector?</p>	Written	13/04/2011	12/05/2011
24	ATO	Ryan	Outstanding Tax Debts - Garnishee Orders	<p>At present, how much tax debt is outstanding from small businesses with less than \$2 million in turnover?</p> <p>How many garnishee orders did the ATO make during the second half of 2010?</p> <p>How many garnishee orders have been made to Queensland businesses since December 2010?</p> <p>How many garnishee orders have been made to businesses in designated flood affected postcodes?</p> <p>How many penalty notices have been issued to businesses that have been permitted a repayment plan?</p> <p>How many businesses has the ATO put into liquidation or administration due to the failure to pay tax debts?</p>	Written	15/04/2011	12/05/2011

				How many times since 1 July 2009 has the ATO initiated litigation against any small business with less than \$2 million in turnover due to the failure to pay tax debts?			
25	ATO	Ryan	Business Making A Tax Loss	<p>How much outstanding tax debt does the ATO expect to collect this financial year?</p> <p>How much outstanding tax debt does the ATO expect to collect from small businesses with less than \$2 million in annual turnover this financial year?</p> <p>How much tax debt has the ATO written off?</p> <p>How much revenue did the ATO expect to collect from unpaid tax debts at the beginning of the 2010-11 financial year?</p> <p>How much revenue does the ATO expect to collect from unpaid tax debts at the beginning of the 2011-12 financial year?</p> <p>How much revenue does the ATO expect to collect from unpaid tax debts at the beginning of the 2012-13 financial year?</p> <p>Is this expected revenue included in the forward estimates?</p>	Written	15/04/2011	12/05/2011
26	Treasury	Ryan	Excise Revenue/Black Market	<p>What is the size of the illicit tobacco market in Australia? What methods have been used to determine the size of the market?</p> <p>What is the estimated excise tax revenue loss to the Australian Government annually?</p> <p>What have been the nature of discussions between Treasury and other agencies on measures to stem the loss of the revenue?</p> <p>What is Treasury's assessments of future trends in the trade of illicit tobacco and any strategies that are being employed to combat any anticipated growth in this area? Can you provide us with copies of your assessments and the strategies to tackle this problem?</p> <p>What international assessments has Treasury considered regarding the illicit tobacco trade and the future anticipated trends in this region? Can Treasury identify factors that impact the size of the illicit tobacco trade and any factors that may encourage growth in this area?</p> <p>What has been the impact of the recent 25% tobacco excise increase on the illicit tobacco trade? Has there been any assessment undertaken on the impact of the tobacco excise tax increase? If so, can you provide us with a copy of your assessment?</p>	Written	13/10/2011	

				What assessments have been undertaken to assess the impact that plain packaging of tobacco products might have on the illicit tobacco market? What has been the nature of these assessments? Has the Department of Health and Ageing sought advice from Treasury in relation to this? Have any other departments/agencies sought advice? When was advice/s sought? What has been the nature of advice provided?			
27	ATO	Ryan	Assistance Visits	How many assistance visits has the ATO made to flood affected small businesses?	Written	13/04/2011	12/05/2011
28	Treasury	Ryan	Tax Laws for Disaster Relief Funds	The Tax Laws Amendment (2009 Measures No. 5) Bill 2009, expanded the definition of charitable activity for the Victorian Bushfire Appeal Trust Account as to engage in a broader range of support activities than would normally considered charitable – is a similar mechanism in place for the Queensland Floods and Cyclone Tasi? Can you confirm that funds donated to Disaster Relief Funds for the recent natural disasters cannot make payments for other purposes, including toward insured homeowners and small business, as the Victorian Bushfire Appeal Trust Account was able to do? Are small businesses who were victims of the Victorian Bushfires being treated differently to those who were victims of the Queensland Floods and Cyclone Yasi?	Written	13/10/2011	
29	ACCC	Ryan	Collective Bargaining Applications	How many small business collective bargaining applications have been made under the Trade Practices Act?	Written	30/03/2011	12/05/2011
30	ACCC	Ryan	Reports of Anticompetitive conduct	How many reports of anti-competitive conduct has the ACCC received under the following sections of the TPA in 2008, 2009 and 2010?: <ul style="list-style-type: none"> - Cartel conduct (ss. 44ZZRF, 44ZZRG, 44ZZRJ and 44ZZRK) - Price fixing (ss. 44ZZRF, 44ZZRG, 44ZZRJ and 44ZZRK) - Anti-competitive agreements (s. 45) - Misuse of market power (s46) - Predatory pricing (s46(1) and s46(1AAA)) - Exclusive dealing and third line forcing (s47) - Resale price maintenance (s.48) 	Written	30/03/2011	12/05/2011
31	ACCC	Ryan	Complaints Line	<ul style="list-style-type: none"> - How many complaints has the ACCC received from small business? - Can you please provide a breakdown of the issues raised in complaints from small business for the 2008-09 and 2009-10 financial year? 	Written	30/03/2011	12/05/2011
32	ACCC	Ryan	Investigations	<ul style="list-style-type: none"> - How many were initiated by complaints from small businesses? - How many fines have been issued by the ACCC for breaches of the law? - What is the total value of fines issued by the ACCC for the 2009-10 financial 	Written	30/03/2011	12/05/2011

				year?			
33	ACCC	Ryan	Franchising Code of Conduct	<p>Since the changes to the Franchising Code of Conduct, how many franchisors have been subject to a random audit?</p> <p>How many substantiation notices has the ACCC issued to franchisors?</p> <p>How many fines has the ACCC issued relating to the amended Franchising Code of Conduct? What is the value of those fines?</p> <p>Can the ACCC please provide a time series of the number and value of fines relating to breaches of the franchising code of conduct for the last four years?</p> <p>How many times has the ACCC requested documents from a business relating to the Franchising Code of Conduct?</p> <p>What discussions has the ACCC had with state governments in WA and SA in relation to their proposed changes to rules for franchisors in those particular states?</p> <p>Given that the proposed reforms will allow the states to issue financial penalties, will it be possible for a franchisor to receive penalties from both the state and federal governments for the same violation?</p>	Written	30/03/2011	12/05/2011
34	Treasury	Ryan	Increase of Superannuation Guarantee	<p>Has Treasury modelled the impact of the increase of superannuation guarantee from 9% to 12%?</p> <p>What is the impact on employment Australia wide?</p> <p>What is the impact on employment by small businesses when including the impact of increases in labour on-costs (eg. payroll tax)?</p> <p>Has Treasury modelled the increase in the payroll tax payable by small businesses each state?</p> <p>How much additional revenue will each state government generate through their various payroll tax regimes as a result of the increase in the superannuation contribution from 9% to 12%?</p> <p>Has a small business regulatory impact statement completed been for this superannuation increase?</p> <p>Given that Victoria has a very low threshold for payroll tax, what will be the impact of increase in the superannuation guarantee on Victoria specifically?</p>	Written	7/04/2011	12/05/2011
35	Treasury	Ryan	Treasury (TRYM) Macro Economic Model	<p>Are the documents on Treasury's Macroeconomic Model (TRYM) the most up to date versions of those documents available? Can Treasury provide copies of the most up to date TRYM documents?</p>	Written	11/03/2011	22/03/2011
36	ATO	Ryan	Definitions of Small Business	<p>How many different definitions of 'small business' does the ATO have? What are they?</p>	Written	13/04/2011	12/05/2011
37	ATO	Ryan	TR 2010/3	<p>Does Practice Statement LA 2010/4 alter TR 2010/3 in any way?</p> <p>Does Practice Statement LA 2010/4 only provide clarifying information regarding TR</p>	Written	14/04/2011	12/05/2011

				<p>2010/3?</p> <p>What sort of compliance costs does the ATO expect small business to bear in order to comply with TR 2010/3?</p> <p>How much additional revenue does the ATO expect to generate from TR 2010/3?</p> <p>How many business does the ATO expect to be affected by TR 2010/3?</p> <p>Given that a company can make an interest only loan to the trust for seven or ten years, or else buy a trust asset, what happens after the seven of ten year periods respectively?</p>			
38	ATO		Standard Business Reporting and E-Tax	<p>How many sole traders have transferred from the e-tax system to the Standard Business Reporting system?</p> <p>Will e-tax for sole traders be integrated with the Standard Business Reporting scheme?</p> <p>How many sole traders running their own business, use E-tax to lodge PAYGW payment summaries?</p> <p>How does E-tax for sole traders relate to the uptake of Standard Business Reporting arrangements?</p> <p>Is there a chance of using the rollout of Standard Business Reporting to update E-tax for sole traders for useful, high uptake of SBR?</p>	Written Question Withdrawn		
39	ATO	Ryan	Standard Business Reporting Platform	<p>To date, how many transactions have taken place under the SBR platform?</p> <p>The Australian Financial Review reported that this scheme will save businesses about \$800 million a year once its fully implemented. Will these savings be achieved this year?</p> <p>Why wasn't the SBR scheme made more business friendly by making it compatible with existing commercial accounting software like MYOB?</p>	Written	30/03/2011	12/05/2011
40	ATO	Ryan	Auskey	<p>How many downloads have there been of the AUSkey software?</p> <p>When will the other relevant state and territory revenue offices begin to participate with the AUSkey program?</p>	Written	13/04/2011	12/05/2011
41	ATO	Ryan	Changes to the Alienation of Personal Services Income Rules	<p>What work has the ATO done on the possible changes to persons who have 'employee-like' characteristics but operate in a 'business-like' way?</p> <p>According to the ATO, how many independent contractors are there?</p> <p>How many independent contractors did the ATO expect to become employees under the previously proposed changes to the Alienation of Personal Services Income rules?</p> <p>What additional revenue (in total) does the ATO expect to generate if the proposed changes to the Alienation of Personal Services rules goes ahead?</p> <p>The Board of Taxation indicated that "the ATO (is) not being seen to be widely monitoring and auditing compliance with the alienation of personal service income rules is that it may have contributed to complacency among some taxpayers and advisors."</p> <p>Has the ATO engaged in any compliance programs directed at the Alienation of</p>	Written	18/04/2011	12/05/2011

				<p>Personal Services Income? If so, please provide a list of the compliance programs, when they were initiated, when they were completed, additional revenue generated, number of violations discovered, number of cases prosecuted.</p> <p>Please provide a list of meetings, including the date, where the Treasurer or Assistant Treasurer has had where PSI was discussed?</p> <p>Has anyone from the ATO formally briefed any non-government person, on the proposed changes to the PSI rules?</p> <p>Have any meetings been held where representatives of unions were present and this issue was discussed?</p>			
42	ATO	Ryan	High Court Ruling on GST and Foreign Currency	<p>When will the ATO provide a decision impact statement on the high court decision regarding the GST treatment of foreign currency?</p> <p>How much revenue has the ATO generated from GST that has been paid on the purchase of foreign cash at airports and other locations, that the High Court recently ruled were not transactions that should incur goods and services tax?</p> <p>Is the ATO liable to refund GST that has been paid on the purchase of foreign cash?</p> <p>What procedures are in place to refund GST that has been paid on these types of transactions? What is the ATO's liability on this issue?</p> <p>Has the ATO paid refunds in the past following court decisions regarding the incorrect application of taxes on some goods or services?</p>	Written	13/04/2011	12/05/2011
43	ATO	Ryan	Outsourcing to Private Debt Collectors	<p>How many private debt collectors have been contracted to provide debt collection services? Can the ATO provide a list of debt collectors that have been contracted, and the size of the contract?</p> <p>What is the total value of the debts that private debt collectors have been contracted to collect?</p> <p>What are the typical terms of the contract with a debt collector – specifically, do debt collectors receive a commission or percentage of the debts returned?</p> <p>How much did the ATO spend on debt collectors in the 2009-10 financial year?</p> <p>How much does the ATO expect to spend on debt collectors in the 2010-11 financial year?</p>	Written	13/04/2011	12/05/2011
44	Treasury	Ryan	CEO Retirement Function	<p>With reference to CN350581 for a CEO retirement function worth \$10,945.53 provided by Opera Point Events – who was this party for?</p> <p>How much was spent on alcohol?</p>	Written	25/03/2011	12/05/2011
45	Treasury	Ryan	Mobile Phones for the Ministers Office	<p>With the reference to CN300201 for the purchase of “Mobile Phones for the Minister’s Office” worth \$32,956.76, how many phones were purchased?</p> <p>What phones/devices were purchased?</p> <p>How many of these were Apple iphones?</p> <p>How many were Apple ipads?</p> <p>Who received the phones?</p>	Written	18/03/2011	22/03/2011

46	ATO	Ryan	Flood Tax and Small Business	<p>How many small business owners, whose businesses have been inundated, does the ATO expect to pay the tax?</p> <p>Are recipients of the Disaster Income Recovery Subsidy eligible to pay the flood levy if they are not recipients of the Australian Government Disaster Recovery Payment and they earn over \$50,000 for the 2011-12 financial year?</p> <p>How many people who have received the Disaster Income Recovery Subsidy does the ATO expect to pay the Flood Tax?</p> <p>What Flood Tax revenue does the ATO expect to generate from DIRS recipients?</p>	Written	19/04/2011	12/05/2011
47	ACCC	Bushby	Media Monitoring	<p>What is the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Minister's office so far this financial year?</p> <p>Which agency or agencies provided these services?</p>	Written	19/04/2011	12/05/2011
48	ACCC	Bushby	Social Media	<p>Has the department instituted any changes to policies or protocols since last estimates that restrict or deny staff the use of Youtube; online social media, such as Facebook, MySpace and Twitter; and access to online discussions forums and blogs? If yes, please explain what changes have been put in place. Why were these changes put in place?</p> <p>Are staff utilising these sites during work hours? If yes, how many hours are spent on these sites? What time these sites are most accessed</p> <p>Will measures be introduced to restrict access to these sites?</p>	Written	19/04/2011	12/05/2011
49	ACCC	Bushby	Efficiency Dividend	<p>Have there been any changes to your portfolio's approach since October 2010 to implementing the Government's savings election commitment of a maintaining the annual efficiency dividend on departmental expenses at 1.25 per cent since last estimates? If yes, give details.</p> <p>Will any agencies in your portfolio be seeking an exemption to implementing the efficiency dividend?</p>	Written	19/04/2011	12/05/2011
50	ACCC	Bushby	Staffing Levels	<p>What is the total expenditure on staffing for the Department and for all portfolio agencies? What is the SES and non-SES breakdown?</p> <p>What are the current staffing levels for SES and non-SES officers?</p> <p>How many SES were employed in your Department and portfolio agencies as of today?</p> <p>What is the breakdown by each level (each SES band, each Executive Level band and each APS band)?</p> <p>What is the gender breakdown by each level (each SES band, each Executive Level band and each APS band)?</p> <p>What is the breakdown by location for each level (each SES band, each Executive Level band and each APS band)?</p>	Written	19/04/2011	12/05/2011

				<p>What is the breakdown by each level of ongoing staff and non ongoing staff (each SES band, each Executive Level band and each APS band)?</p> <p>What have been the changes in staffing levels since October Estimates 2010? Why have these changes occurred? What have been the budgetary implications? In the case of reductions in staff numbers, how have these reductions been absorbed by the Department? What functions these staff performed have been sacrificed and why?</p> <p>Are there expected changes to current staffing levels over the next 12 months? If yes, provide details including a breakdown of each level staff (each SES band, each Executive Level band and each APS band) detailing the changes. Will this be different to what was reported in the 2010-11 Budget?</p> <p>Is there a target for staff reductions to achieve savings? What is that target and what strategy is being implemented to achieve this?</p> <p>Have any voluntary or involuntary redundancies been offered to staff? If so, how have staff been identified for such offers? Are there such plans for the future?</p> <p>How many permanent staff recruited since October Estimates 2010? What level are these staff? Where is their location?</p> <p>Since October Estimates 2010, how many employees have been employed on contract and what is the average length of their employment period?</p> <p>What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions or increases are envisaged please explain including reasons, target numbers etc.</p>			
51	ACCC	Bushby	Consultancies	<p>How much has the Department spent on consultancy services this financial year? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).</p> <p>How many consultancies have been undertaken or are underway since October Estimates 2010? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).</p> <p>Is the Department/agency up to date with its reporting requirements on the Government's tenders and contacts website? Are the figures available on that site correct?</p> <p>Has there been any changes in the consultancies that are planned for this calendar year since October Estimates 2010? If yes, have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, projected cost and method of procurement as above, and the name of the consultant if known.</p>	Written	19/04/2011	12/05/2011

52	ACCC	Bushby	Advertising and Marketing	How much has the Department and portfolio agencies spent on advertising and marketing since October Estimates? Year to date? Could the Department provide a complete list of current contracts? Please indicate the rationale for each service provided and its intended use. What communications programs has the Department and portfolio agencies undertaken since October estimates and what communications programs are planned to be undertaken? For each program, what is the total spend?	Written	19/04/2011	12/05/2011
53	ACCC	Bushby	Discretionary Grants	Could the Department provide a list of all discretionary grants, including ad hoc and one-off grants since October Estimates 2010? Please provide details of the recipients, the intended use of the grants and what locations have benefited from the grants. Has the Department complied with interim requirements relating to the publication of discretionary grants?	Written	19/04/2011	12/05/2011
54	ACCC	Bushby	Commissioned Reports	How many Reports have been commissioned by the Government in your portfolio since October Estimates 2010? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members. How much did each report cost? How many departmental staff were involved in each report and at what level? What is the current status of each report? When is the Government intending to respond to these reports?	Written	19/04/2011	12/05/2011
55	ACCC	Bushby	Hospitality Spend	What is the Department's hospitality spend since October Estimates 2010? Please detail date, location, purpose and cost of all events. For each Minister/Parl Sec's office, please detail total hospitality spend FYTD. Please detail date, location, purpose and cost of each event.	Written	19/04/2011	
56	ACCC	Bushby	FOI Requests	How many FOI requests have you received since October Estimates? How many have been granted or denied? How many conclusive certificates have been issued in relation to FOI requests?	Written	19/04/2011	12/05/2011
57	ACCC	Bushby	Community Cabinet	What was the cost of Minister's travel and expenses for any Community Cabinet meetings held since October Estimates 2010? How many Ministerial Staff and Departmental officers travelled with the Minister for the Community Cabinet meeting? What was the total cost of this travel? What was the total cost to the Department and the Minister's office?	Written	19/04/2011	12/05/2011
58	ACCC	Bushby	Reviews	What is the total number of Reviews both completed and ongoing in the portfolio/agency or affecting the portfolio agency this financial year? Please provide a breakdown of reviews completed this financial year including:	Written	19/04/2011	12/05/2011

				<p>i. when those reviews were provided to Government, ii. estimated cost of producing each review (and total cost) and iii. if the Government has responded to the review or information about when the Government has indicated it will/will not respond to the review.</p> <p>How many reviews are ongoing? How many reviews have been completed since October estimates? What further reviews are planned in the portfolio/agency?</p>			
59	ACCC	Bushby	Media Subscriptions	<p>If your department or agencies within your portfolio subscribe to pay TV (for example Foxtel). please advise the cost to date this financial year. If your department or agencies within your portfolio subscribe to newspapers please advise the cost to date this financial year. If your department or agencies within your portfolio subscribe to magazines please advise the cost to date this financial year.</p>	Written	19/04/2011	12/05/2011
60	ACCC	Bushby	Travel Costs	How much has your department and portfolio agencies spent on travel to date this financial year?	Written	19/04/2011	12/05/2011
61	ASIC	Bushby	Cooper Review - ASIC Superannuation forecasts	<p>The Government's response to the Cooper Review in December 2010 stated that ASIC should continue developing a framework for superannuation forecasts on annual statements for consumers as proposed in Consultation Paper 122.</p> <ul style="list-style-type: none"> - What is the progress of developing superannuation forecasts under guidance in CP 122? <p>Appendix A – Rice Warner Actuaries Fees Report 2008 – page 5 (table not shown)</p> <p>The above table shows that employer or wholesale superannuation funds have an average total cost of 82 basis points. This table shows that almost 1 million Australians have their superannuation in wholesale master trusts which cost an average of 79 basis points (cross referenced with the table in Appendix A.</p>	Written	25/03/2011	12/05/2011
62	ASIC	Bushby	Media Monitoring	<p>What is the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Minister's office so far this financial year? Which agency or agencies provided these services?</p>	Written	25/03/2011	12/05/2011
63	ASIC	Bushby	Social Media	Has the department instituted any changes to policies or protocols since last estimates that restrict or deny staff the use of Youtube; online social media, such as Facebook, MySpace and Twitter; and access to online discussions forums and blogs? If yes, please	Written	25/03/2011	12/05/2011

				explain what changes have been put in place. Why were these changes put in place? Are staff utilising these sites during work hours? If yes, how many hours are spent on these sites? What time these sites are most accessed? Will measures be introduced to restrict access to these sites?			
64	ASIC	Bushby	Efficiency Dividend	<p>Have there been any changes to your portfolio's approach since October 2010 to implementing the Government's savings election commitment of a maintaining the annual efficiency dividend on departmental expenses at 1.25 per cent since last estimates? If yes, give details.</p> <p>Will any agencies in your portfolio be seeking an exemption to implementing the efficiency dividend?</p>	Written	25/03/2011	12/05/2011
65	ASIC	Bushby	Staffing Levels	<p>What is the total expenditure on staffing for the Department and for all portfolio agencies? What is the SES and non-SES breakdown?</p> <p>What are the current staffing levels for SES and non-SES officers?</p> <p>How many SES were employed in your Department and portfolio agencies as of today?</p> <p>What is the breakdown by each level (each SES band, each Executive Level band and each APS band)?</p> <p>What is the gender breakdown by each level (each SES band, each Executive Level band and each APS band)?</p> <p>What is the breakdown by location for each level (each SES band, each Executive Level band and each APS band)?</p> <p>What is the breakdown by each level of ongoing staff and non ongoing staff (each SES band, each Executive Level band and each APS band)?</p> <p>What have been the changes in staffing levels since October Estimates 2010? Why have these changes occurred? What have been the budgetary implications? In the case of reductions in staff numbers, how have these reductions been absorbed by the Department? What functions these staff performed have been sacrificed and why?</p> <p>Are there expected changes to current staffing levels over the next 12 months? If yes,</p>	Written	07/09/2011	

				<p>provide details including a breakdown of each level staff (each SES band, each Executive Level band and each APS band) detailing the changes. Will this be different to what was reported in the 2010-11 Budget?</p> <p>Is there a target for staff reductions to achieve savings? What is that target and what strategy is being implemented to achieve this?</p> <p>Have any voluntary or involuntary redundancies been offered to staff? If so, how have staff been identified for such offers? Are there such plans for the future?</p> <p>How many permanent staff recruited since October Estimates 2010? What level are these staff? Where is their location?</p> <p>Since October Estimates 2010, how many employees have been employed on contract and what is the average length of their employment period?</p> <p>What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions or increases are envisaged please explain including reasons, target numbers etc.</p>			
66	ASIC	Bushby	Consultancies	<p>How much has the Department spent on consultancy services this financial year? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).</p> <p>How many consultancies have been undertaken or are underway since October Estimates 2010? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).</p> <p>Is the Department/agency up to date with its reporting requirements on the Government's tenders and contracts website? Are the figures available on that site correct?</p> <p>Has there been any changes in the consultancies that are planned for this calendar year since October Estimates 2010? If yes, have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case</p>	Written	25/03/2011	12/05/2011

				please identify the subject matter, duration, projected cost and method of procurement as above, and the name of the consultant if known.			
67	ASIC	Bushby	Advertising and Marketing	<p>How much has the Department and portfolio agencies spent on advertising and marketing since October Estimates? Year to date?</p> <p>Could the Department provide a complete list of current contracts? Please indicate the rationale for each service provided and its intended use.</p> <p>What communications programs has the Department and portfolio agencies undertaken since October estimates and what communications programs are planned to be undertaken? For each program, what is the total spend?</p>	Written	28/03/2011	12/05/2011
68	ASIC	Bushby	Discretionary Grants	<p>Could the Department provide a list of all discretionary grants, including ad hoc and one-off grants since October Estimates 2010? Please provide details of the recipients, the intended use of the grants and what locations have benefited from the grants.</p> <p>Has the Department complied with interim requirements relating to the publication of discretionary grants?</p>	Written	25/03/2011	12/05/2011
69	ASIC	Bushby	Commissioned Reports	<p>How many Reports have been commissioned by the Government in your portfolio since October Estimates 2010? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members.</p> <p>How much did each report cost? How many departmental staff were involved in each report and at what level?</p> <p>What is the current status of each report? When is the Government intending to respond to these reports?</p>	Written	25/03/2011	12/05/2011
70	ASIC	Bushby	Hospitality Spend	<p>What is the Department's hospitality spend since October Estimates 2010? Please detail date, location, purpose and cost of all events.</p> <p>For each Minister/Parl Sec's office, please detail total hospitality spend FYTD.</p> <p>Please detail date, location, purpose and cost of each event.</p>	Written	25/03/2011	12/05/2011

71	ASIC	Bushby	FOI Requests	<p>How many FOI requests have you received since October Estimates?</p> <p>How many have been granted or denied?</p> <p>How many conclusive certificates have been issued in relation to FOI requests?</p>	Written	8/07/2011	
72	ASIC	Bushby	Community Cabinet	<p>What was the cost of Minister's travel and expenses for any Community Cabinet meetings held since October Estimates 2010?</p> <p>How many Ministerial Staff and Departmental officers travelled with the Minister for the Community Cabinet meeting?</p> <p>What was the total cost of this travel?</p> <p>What was the total cost to the Department and the Minister's office?</p>	Written	25/03/2011	12/05/2011
73	ASIC	Bushby	Reviews	<p>What is the total number of Reviews both completed and ongoing in the portfolio/agency or affecting the portfolio agency this financial year?</p> <p>Please provide a breakdown of reviews completed this financial year including:</p> <ul style="list-style-type: none"> i. when those reviews were provided to Government, ii. estimated cost of producing each review (and total cost) and iii. if the Government has responded to the review or information about when the Government has indicated it will/will not respond to the review. <p>How many reviews are ongoing?</p> <p>How many reviews have been completed since October estimates?</p> <p>What further reviews are planned in the portfolio/agency?</p>	Written	28/03/2011	12/05/2011
74	ASIC	Bushby	Media Subscriptions	<p>If your department or agencies within your portfolio subscribe to pay TV (for example Foxtel). Please advise the cost to date this financial year.</p> <p>If your department or agencies within your portfolio subscribe to newspapers please advise the cost to date this financial year.</p>	Written	25/03/2011	12/05/2011

				If your department or agencies within your portfolio subscribe to magazines please advise the cost to date this financial year.			
75	ASIC	Bushby	Travel Costs	How much has your department and portfolio agencies spent on travel to date this financial year?	Written	19/07/2011	
76	Treasury	Bushby	Tax on LPG	<ol style="list-style-type: none"> 1. Why has the Government decided it is in the taxpayers' interest to commit hundreds of millions of dollars in incentives to encourage motorists to switch to the green transition fuel of LPG but now want to hurt those same motorists with a tax? 2. A new survey of Tasmanian voters show overwhelming opposition to the tax by LPG users. Tasmania – as will anyone living in regional or remote Australia - will be particularly hurt by the tax as the cost of transport and the lack of scale of economies make the cost of LPG already higher than it is on the mainland. Isn't it the case that consumer groups (RACT) and other sector leaders are telling you that any attempt to push the price higher will cripple that industry and deny all motorists any access to LPG? 3. LPG emits up to 13% less harmful carbon emissions than a car run on petrol or diesel. How is taxing a sector that is working to meet the Government's own climate change targets likely to impact on Australia's carbon emissions? 4. Why would the Government impose a tax when it hasn't completed its own policy on alternative fuels? Surely that policy should dictate whether a tax would be justified? 	Written	17/06/2011	23/06/2011
77	Treasury	Bushby	MySuper	<ol style="list-style-type: none"> 1. Question on Notice SBT 211 suggests the \$40,000 MySuper savings estimate is a straight out comparison of existing actively managed options (which have costs) against passive options? a) Does Treasury agree MySuper is likely to result in increased levels of passive management by Trustees? b) Is this likely to deliver better returns than actively managed funds? c) Should this be taken into account when looking at comparisons I.e., a more accurate practice could be available and more valuable? 	Written	19/04/2011	12/05/2011
78	Treasury	Bushby	Stronger Super	<p>How long does Treasury estimate the Stronger Super working groups will meet?</p> <p>When does Treasury expect to provide advice to the Minister in respect of the key policy questions remaining in Stronger Super (such as MySuper)?</p> <p>When will legislation related to Stronger Super be presented to the Parliament?</p>	Written	30/03/2011	12/05/2011

79	Treasury	Bushby		<p>MySuper - Stronger Super December 2010 - The Government resolved not to prohibit cross subsidisation of superannuation member accounts as recommended by the Cooper Review. Cross subsidisation occurs where all members are charged the same amount in fees regardless of whether or not they utilise member services such as advice. It is not a user pays system. Members who do not access advice and other services cross subsidise the other members. Allowing cross subsidisation would be a retrograde step for the superannuation industry which has moved to unbundle product and advice by moving away from trailing commissions.</p> <p>Does Treasury believe that cross subsidisation in superannuation is appropriate? Is Treasury of the view that product and advice should be unbundled? Does Treasury agree with the Cooper Review that advice and product should not be bundled and cross subsidisation of member accounts should not be tolerated? If cross-subsidisation is tolerated, hasn't the prohibition on commissions effectively been made redundant? Does Treasury view cross subsidised superannuation and bundled product and advice as one and the same?</p>	Written	28/03/2011	12/05/2011
80	Treasury	Bushby	The Cooper Review/My Super	<p><i>Background information:</i> How much did the Review cost? How much were external consultants such as Deloitte paid for their work?</p> <p><i>Modelling underpinning the savings estimated by Treasury to deliver the average superannuant an additional \$40,000 in retirement income in the long run.</i> Did you model the benefits of MySuper? (Page 20 of the Cooper Review Final Report) Did you identify any cost savings for members? If so, what is the figure based on? (Likely to be Deloitte research on fees undertaken by the Review Panel and released in April 2010) Which asset allocation strategy do these cost savings take into account to develop a final number? (Deloitte looked at three different asset allocations)</p> <p>Did Treasury's estimates take into account that certain investments may be prohibited under MySuper – such as investments which may not comply with the proposed performance fee standards to be developed by APRA?</p> <p>Has the impact of passive management been taken into account in the Treasury estimate that a My-Superannuant would be \$40,000 better off by retirement?</p> <p>There are different elements of MySuper, how are they taken into account in the costing the impact of fees for members?</p> <p>How were elements which are likely to increase costs such as separate licensing and increased regulation treated?</p>	Written	06/06/2011	23/06/2011

			<p><i>Examining the estimates used by Treasury in Appendix C of the Final Cooper Review Report on current fee levels.</i></p> <p>Did Treasury use the Rice Warner Fee Report (2008) in arriving at assumptions to underpin the fee estimate reduction and its associated benefit of \$40,000 per member? Would you agree that the MySuper concept is squarely designed for superannuation members in the employer or wholesale sphere?</p> <p>On a reading of the Rice Warner Fee Report, is Treasury of the view that superannuation fees in the default or wholesale (employer) space are currently competitive and on a downward trend?</p> <p>For the purposes of its savings estimates, how does the Treasury estimate that the average fee in the default / wholesale sphere is currently 97 basis points (as opposed to the average fee of 82 basis points in the wholesale sphere identified in the Rice Warner report)?</p> <p>Why has an additional 15 basis points been added to the figure used for the estimate? (Refer to Appendix A - Rice Warner Fees Report table 1 below)</p> <p>Given that the cost savings attributable to members are based on the short and long term cost of a MySuper fund (which Treasury states will cost 85 basis points in the short term), how is it possible that MySuper will benefit the more than one million members currently in wholesale super arrangements which cost less than 85 basis points in the short term?</p> <p><i>Examining the estimates used by Treasury in Appendix C of the Final Cooper Review Report in terms of asset allocation, scale discounts and member services.</i></p> <p>The Rice Warner Fees Report shows that there are nearly one million people currently in large master trusts (see Appendix B below) who pay an average of 79 basis points for their superannuation. Won't these individuals be disadvantaged?</p> <p>Will such members in large corporate arrangements (with current average fees of 79 basis points) benefit from the estimated \$40,000 additional retirement income through lower fees which they already enjoy?</p> <p>Will these members be disadvantaged by the proposed MySuper removal of scale discounts for corporate members?</p> <p>Has Treasury considered that over one million corporate superannuants are likely to have reduced member services compared to what they receive now under a MySuper environment?</p> <p>In terms of the assumptions underpinning the Treasury estimates, how does the estimate</p>			
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				that \$340bn of \$700bn of assets are in a default investment option (excluding SMSFs) correlate with 80 per cent of members being disengaged as quoted by the Review? How has Treasury arrived at the figure that \$560bn of all super assets are in default funds?			
81	Treasury	Bushby	Medicare Small Business Superannuation Clearing House	How many employers have registered to send super contributions through the clearing house? What is the volume of funds which has been transmitted through the clearing house? What has the cost of the clearing house been: This financial year? Last financial year? Is funding provided for the ongoing operation of the clearing house in Medicare's future budgets?	Written <i>Question transferred to Community Affairs Committee</i>		
82	Treasury	Bushby	Media Monitoring	What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Treasurer's office since the October 2010 estimates? Which agency or agencies provided these services? What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Department and its agencies since the October 2010 estimates? Which agency or agencies provided these services?	Written	07/09/2011	
83	Treasury	Bushby	Social Media	Has the department instituted any changes to policies or protocols since last estimates that restrict or deny staff the use of Youtube; online social media, such as Facebook, MySpace and Twitter; and access to online discussions forums and blogs? If yes, please explain what changes have been put in place. Why were these changes put in place? Are staff utilising these sites during work hours? If yes, how many hours are spent on these sites? What time these sites are most accessed Will measures be introduced to restrict access to these sites?	Written	28/03/2011	12/05/2011
84	Treasury	Bushby	Staffing Levels	What is the total expenditure on staffing for the Department and for all portfolio agencies? What is the SES and non-SES breakdown? What are the current staffing levels for SES and non-SES officers? How many SES were employed in your Department and portfolio agencies as of today? What is the breakdown by each level (each SES band, each Executive Level band and each APS band)? What is the gender breakdown by each level (each SES band, each Executive Level band	Written	30/03/2011	12/05/2011

				<p>and each APS band)?</p> <p>What is the breakdown by location for each level (each SES band, each Executive Level band and each APS band)?</p> <p>What is the breakdown by each level of ongoing staff and non ongoing staff (each SES band, each Executive Level band and each APS band)?</p> <p>What have been the changes in staffing levels since October Estimates 2010? Why have these changes occurred? What have been the budgetary implications? In the case of reductions in staff numbers, how have these reductions been absorbed by the Department? What functions these staff performed have been sacrificed and why?</p> <p>Are there expected changes to current staffing levels over the next 12 months? If yes, provide details including a breakdown of each level staff (each SES band, each Executive Level band and each APS band) detailing the changes. Will this be different to what was reported in the 2010-11 Budget?</p> <p>Is there target for staff reductions to achieve savings? What is that target and what strategy is being implemented to achieve this?</p> <p>Have any voluntary or involuntary redundancies been offered to staff? If so, how have staff been identified for such offers? Are there such plans for the future?</p> <p>How many permanent staff recruited since October Estimates 2010? What level are these staff? Where is their location?</p> <p>Since October Estimates 2010, how many employees have been employed on contract and what is the average length of their employment period?</p> <p>What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions or increases are envisaged please explain including reasons, target numbers etc.</p>			
85	Treasury	Bushby	Consultancies	<p>How much has the Department spent on consultancy services this financial year? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).</p> <p>How many consultancies have been undertaken or are underway since October Estimates 2010? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).</p> <p>Is the Department/agency up to date with its reporting requirements on the Government's tenders and contacts website? Are the figures available on that site correct?</p>	Written	25/03/2011	12/05/2011

				Has there been any changes in the consultancies that are planned for this calendar year since October Estimates 2010? If yes, have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, projected cost and method of procurement as above, and the name of the consultant if known.			
86	Treasury	Bushby	Advertising and Marketing	How much has the Department and portfolio agencies spent on advertising and marketing this financial year? Could the Department provide a complete list of current contracts? Please indicate the rationale for each service provided and its intended use. What communications programs has the Department and portfolio agencies undertaken since October estimates and what communications programs are planned to be undertaken? For each program, what is the total spend?	Written	7/04/2011	12/05/2011
87	Treasury	Bushby	Discretionary Grants	Could the Department provide a list of all discretionary grants, including ad hoc and one-off grants since October Estimates 2010? Please provide details of the recipients, the intended use of the grants and what locations have benefited from the grants. Has the Department complied with interim requirements relating to the publication of discretionary grants?	Written	10/03/2011	22/03/2011
88	Treasury	Bushby	Commissioned Reports	How many Reports have been commissioned by the Government in your portfolio since October Estimates 2010? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members. How much did each report cost? How many departmental staff were involved in each report and at what level? What is the current status of each report? When is the Government intending to respond to these reports?	Written	14/04/2011	12/05/2011
89	Treasury	Bushby	Hospitality Spend	What is the Department's hospitality spend since October Estimates 2010? Please detail date, location, purpose and cost of all events. For each Minister/Parl Sec's office, please detail total hospitality spend FYTD. Please detail date, location, purpose and cost of each event.	Written	25/03/2011	12/05/2011
90	Treasury	Bushby	FOI Requests	How many FOI requests has the Department received since October Estimates? How many have been granted or denied? How many conclusive certificates have been issued in relation to FOI requests?	Written	31/05/2011	23/06/2011
91	Treasury	Bushby	Community Cabinet	What was the cost of Treasurer's travel and expenses for any Community Cabinet meetings held since October Estimates 2010? How many Ministerial Staff and Departmental officers travelled with the Treasurer for the Community Cabinet meeting?	Written	28/03/2011	12/05/2011

				<p>What was the total cost of this travel? What was the total cost to the Department and the Treasurer's office?</p>			
92	Treasury	Bushby	Reviews	<p>What is the total number of Reviews both completed and ongoing in the portfolio/agency or affecting the portfolio agency this financial year? Please provide a breakdown of reviews completed this financial year including: i. when those reviews were provided to Government, ii. estimated cost of producing each review (and total cost) and iii. if the Government has responded to the review or information about when the Government has indicated it will/will not respond to the review. How many reviews are ongoing? How many reviews have been completed since October estimates? What further reviews are planned in the portfolio/agency?</p>	Written	11/08/2011	
93	Treasury	Bushby	Media Subscriptions	<p>If your department or agencies within your portfolio subscribe to pay TV (for example Foxtel). please advise the cost to date this financial year. If your department or agencies within your portfolio subscribe to newspapers please advise the cost to date this financial year. If your department or agencies within your portfolio subscribe to magazines please advise the cost to date this financial year.</p>	Written	30/03/2011	12/05/2011
94	Treasury	Bushby	Travel Costs	<p>How much has your department and portfolio agencies spent on travel to date this financial year?</p>	Written	7/04/2011	12/05/2011
95	Treasury	Bushby	Reform to part IVA	<p>I refer to your discussion paper of 18 Nov 2010 on <i>Improving the operation of the anti-avoidance provisions in the income tax law</i>.</p> <p>Did you conduct discussions on the need for a review with the business and tax advisory groups?</p> <p>Why isn't there some explanation in the document on why companies and entities undergo restructure? Why doesn't the document have some economic or commerciality analysis as the basis for seeking or not seeking reform? One could read the document and conclude that all restructures were aimed at tax avoidance?</p> <p>What research do you have on how many corporate restructures take place each year and how many of them are for avoidance purposes – and how much tax has been avoided?</p> <p>Also, what is the benefit to the economy of corporate restructures? Could you explain to the committee the typical example of legitimate restructures and whether, if it does inter alia incorporate some tax benefit, it will run foul of any new rules that you develop.</p>	Written	19/04/2011	12/05/2011

				<p>Do you agree that the Commissioner's comments in the AFR on 27 Jan, actually argue against reforms to Part IVA as they state that Part IVA rules 'largely explains why the why the amount of tax paid by companies as a proportion of GDP is higher in Australia than other countries.' Is why expand the tax net and thereby push Australian companies down the ladder in terms of tax competitiveness.</p> <p>Does reform of Part IV A get a mention in the Red book briefing for the incoming government, and if so what reasoning has been used to justify a reform process?</p> <p>The Tax Commissioner mentioned in his speech to the Australian Tax Teachers Association that ATO wins more court cases than it loses. Could you identify the major wins that you have had in the past three years and also the losses? And what have been the costs of this litigation, successful and unsuccessful, and for what revenue advantage?</p> <p>What additional revenue have you budgeted for which will arise from changes the definition of 'tax benefit' as describe on page 1 of the AFR on 24 January 2011?</p> <p>How do you respond to the statement by ICA in the AFR of 24 Jan which suggests that by being overly zealous in your administration you might 'kill off' otherwise legitimate transactions which have been genuinely entered into for the purpose of profit making and commercial reasons?</p> <p>What signals does this approach send to corporations considering locating in Australia and also to Australian corporations who are considering restructures so as to become more productive and profitable?</p> <p>What is the current status of the Part IVA project and could you advise the committee the financial and human resources that you have allocated to the project over the next 12 months. Who is leading the project and in which divisions of Treasury and ATO?</p> <p>What is the working title, so as to assist FOI requests, of this project and what deadline dates have you in mind? Draft report, final draft, consultation, draft legislation, consultation, new bill for Parliament and final passage.</p>			
96	ATO	Bushby	Section 264 Powers	<p>In your answers to questions on notice arising from the October 2010 round of Estimates you said: 'We cannot provide statistics on how often our section 264 powers have been used over the past five years. This is because our use of the subsection 264 (1) power, requiring the furnishing of information, is mostly used routinely. Furthermore, our case management and reporting systems are not structured to extract and report this information. The ATO continues to document the use of these powers within the taxpayer case records in our centralised case management system.'</p>	Written	12/05/2011	23/06/2011

			<p>How would you describe the ‘routine’ use of these powers, typically how are they exercised and what advice is given to taxpayers e.g. the need to obtain expert advice or legal assistance, health warnings etc.</p> <p>Is it correct that a computer algorithm is the decision maker for section 264 powers? If so can we be advised of the criteria which trigger such a decision?</p> <p>Do you have an SES person who is in charge of the overall discharge of section 264 powers, and if so could you advise the name of the person and his/her position? Could this officer provide the Senate with a discursive summary of how the power is operating and give an indication of its effectiveness in terms of tax collections and also with respect to any feedback from taxpayers and tax professionals?</p> <p>Can you confirm what the penalties are for failure to provide such information? On how many occasions have you issued penalty notices for such failure? What has been the revenue collection impact of serving such notices, additional taxes levied/harvested and fines?</p> <p>How difficult would it be to do a representative sample of your case records and estimate the number of section 264 notices that have been issued?</p> <p>What therefore is your ‘seat of the pants assessment’ of how well the section 264 system is running and what are its strengths and weaknesses? For example, if a taxpayer receives a section 264 notice what is the probability of ATO receiving a satisfactory response? If ATO had ten million taxpayers on its books would the number of section 264 notices be 2 million, one million, 200,000 or 300,000 or some lesser number?</p> <p>Which new tax initiatives over the past decade have meant a boost in the rate of use of section 264 notices?</p> <p>Do some ATO branch offices in the capital cities use this power more than others, or is it more likely to be used by some business lines more than others?</p> <p>When the Commissioner has his annual or regular meetings with his senior SES, have there been any discussions on the use of these powers, and if so what conclusions were reached?</p> <p>What additional funding would you need to be allocated so that a comprehensive system could be built so as to inform the Parliament of the extent to which ATO is exercising its coercive powers?</p>			
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			<p>Are you aware that ABCC, ACCC, ACC are all reporting the use of their routine coercive information gathering powers?</p> <p>If you do not know how often you use these powers and what are the trends over say three or five years, how do you judge the effectiveness of the self assessment system, surely, the extent to which taxpayers need to provide you additional data for returns under the self assessment system is a key indicator of how well the system is going – indeed it could be an indicator of poorly worded questions on tax return forms and questionnaires?</p> <p>In your answer to Question on Notice SBT 75, you say; We cannot provide statistics on how often our section 264 powers have been used over the past five years. This is because our use of the subsection 264 (1) power, requiring the furnishing of information, is mostly used routinely. Furthermore, our case management and reporting systems are not structured to extract and report this information. The ATO continues to document the use of these powers within the taxpayer case records in our centralised case management system.</p> <p>Who made the decision for system changes?</p> <p>When will the first data be on the ATO website?</p> <p>Have there ever been any issues re the use of this power – previous Senate questions, Tax Ombudsman's reports or AAT cases? If so please provide details.</p> <p>What are the procedures to ensure that these powers are not abused, and also to ensure that post March 2011 accurate and reliable data on the use of these powers is provided to the Parliament?</p> <p>Does the ATO have procedures on the use of these powers and where are they published – how do these procedures ensure integrity? Does the ATO receive complaints on the use of this power, and if so how does it handle such matters?</p> <p>Can the ATO recall an Ombudsman's report of December 1996 entitled: 'Complaint by Mr B concerning the use of ATO's information gathering powers to identify the whereabouts of the debtor? Did this case prompt the ATO to institute any procedural changes?</p> <p>What action does the ATO take to ensure that mistakes observed by large numbers of taxpayers in a particular industry or under a particular tax measure, are addressed</p>			
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				<p>through further educations, training etc? For example, if an incorrect approach to paying superannuation on commission payments was observed or brought to your attention, how would you approach this?</p>			
97	ATO	Bushby	IGT Audits	<p>I note that in the AFR on 16 Feb 2011 there is a report that the Inspector General of Taxation will be investigating you audits of small businesses and high-wealth taxpayers.</p> <p>I also note that ATO has receive criticism for being too aggressive in their approach and/or failing to take into account key documents and arguments. (Denlay case in the 2010 Qld Appeal Court where the court was critical of ATO for taking steps in bankruptcy against a taxpayer who was in the process of lodging an objection to an assessment and the more recent AAT case <i>AAT Case [2011] AATA 26, Re James and Anor and FCT</i>.</p> <p><i>What were the costs to the ATO of these two actions?</i></p> <p>Report by the Weekly Tax Bulletin re James and Anor and FCT was as follows:</p> <p>The Tribunal was critical of the ATO's stance on a number of issues, including:</p> <ul style="list-style-type: none"> ○ Purchasers' admissions: The AAT noted on several occasions that the purchasers of the business had admitted at various times and in various documents that they remained indebted to the taxpayer for the balance of the purchase price, contrary to the Commissioner's argument that the taxpayer had failed to produce evidence of the existence of the amount of the purchase price owing to the taxpayer (see para [32]). In this regard, the AAT also stated that the ATO had simply ignored the evidence of the purchasers having made an express admission in writing, without any qualification at all, of their indebtedness to the taxpayer in the sum then still owing of \$20,484,772 (see para [33]). ○ Privately authored documents: The AAT said the Commissioner was dissatisfied that, in order to establish some of his own actions or transactions, the taxpayer relied on documents that were "authored" and signed only by him. This complaint related in particular to the 2 trust instruments on which the taxpayer relied. The Tribunal said: "Absent fraud, the standard of proof for establishing a 'secret' trust is the same as it is for any other trust. It is the ordinary civil standard of proof on the balance of probabilities. The ATO's adverse comment about the 2 trust instruments is reminiscent of complaints by King Henry VIII in the sixteenth century, who did his best to have trusts 	Written	12/05/2011	23/06/2011

			<p>abolished altogether because of their tendency to facilitate tax avoidance".</p> <ul style="list-style-type: none"> ○ Statute of Limitations: The AAT considered it "a matter for remark" that, during the course of one of the ATO interviews of the taxpayer in 2005, a member of the ATO audit team "thought it appropriate to engage in a contest with Mr James about the applicability of the Statute of Limitations" to a document. The AAT said the period of limitation is 6 years, in both Queensland and New Zealand and that "the ATO officer wrongly insisted the limitation period was only 3 years. The ATO officer was quite wrong in his opinion, which in any event was not relevant to Mr James' tax liability". <p>Have these instances provided any lessons regarding the obligation of the ATO to be vigilant in respecting the taxpaying community and that legal action in the courts needs to be considered as a last resort?</p> <p>How do you ensure that you do not have some audit teams who are running along substantially more aggressive lines than others? Do you consider now, in relation to the Denlay bankruptcy case, and the AAT case that there needed to be more quality control exercised by senior tax office officials.</p> <p>What are the criteria that ATO uses to rank from high to low the tax risk assessment category into which certain business taxpayers should fall?</p> <p>How do you ensure that these are objective and balanced?</p> <p>Do, for example, they take into account the cooperation of taxpayers in willingly providing information and / or volunteering to extend statutory periods beyond which the ATO cannot act against the taxpayer?</p> <p>Is the taxpayer's risk rating in any way impacted by whether the taxpayer has initiated litigation against a tax assessment?</p> <p>Who / which branch in the ATO is responsible for ATO being a model litigant as per the government model litigant rules and what steps have been taken to review these cases and develop a fairer approach to the audit and litigation process?</p> <p>Some in the tax professional community suggest that there is a noticeable absence of timely advice from the ATO following decision in the Administrative Appeals Tribunal (AAT) and the courts that are inconsistent with ATO policy or administration. For</p>			
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				<p>example, it has been suggested that the ATO has not responded publicly to the decision in <i>FCT v Word Investments (2008) 236 CLR 204</i>, and has instead continued business as usual. Is this true and have there been any other cases in the same vein?</p> <p>How can practitioners do their job without guidance following such decisions?</p> <p>Does this arise because the ATO has insufficient resources to handle its case load or does it have too much litigation on its agenda, or some other reason?</p>			
98	ATO	Bushby	SAXBY v R (7 Feb 2011)	<p>I note that in an appeal court decision in the Supreme Court of Tasmania, <i>Saxby v R</i> (7 Feb 2011) a conviction was confirmed against a taxpayer who had made a false representation in an objection to a tax assessment. Without going into the merits or otherwise of the case which has been decided via due process, my questions are:</p> <p>How often has the ATO prosecuted taxpayers for making false statements in an a objection to a tax assessment?</p> <p>If the ATO practice is a rare on, or indeed one which has never been used, why the change in policy?</p> <p>If there is a change in policy has the government been advised and with what response?</p> <p>Does it concern the ATO that if it adopts the new policy it is possible that a suspect taxpayer might be both convicted of defrauding the Commonwealth for understating income or overstating expenses, and then convicted again if he makes an objection which contains false statements?</p> <p>Could this double punishment approach undermine confidence in the tax system by creating fear in the minds of taxpayers against making legitimate objections, because they fear the prospect of another penalty in addition to the first?</p>	Written	13/04/2011	12/05/2011
99	ATO	Bushby	Temporary Residents Superannuation	<p>How many individuals have had their superannuation balances paid to the Commissioner under the <i>Superannuation (Departing Australia Superannuation Payments Tax) Act 2007</i>?</p> <p>What is the value to the Commissioner of these compulsory payments?</p>	Written	13/04/2011	12/05/2011
100	ATO	Bushby	Lost Members	<p>How many additional individuals have had superannuation balances paid to the Commissioner under amendments made in 2009 to the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i>?</p>	Written	13/04/2011	12/05/2011

				<p>What is the value to the Commissioner of these compulsory payments? .</p> <p>What is the ATO doing to attempt to locate these lost members?</p> <p>Is the ATO able to use TFN matching to locate and refund lost balances? If not, why not?</p>			
101	ATO	Bushby	Media Monitoring	<p>What is the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Minister's office so far this financial year?</p> <p>Which agency or agencies provided these services?</p>	Written	13/04/2011	12/05/2011
102	ATO	Bushby	Social Media	<p>Has the department instituted any changes to policies or protocols since last estimates that restrict or deny staff the use of Youtube; online social media, such as Facebook, MySpace and Twitter; and access to online discussions forums and blogs?</p> <p>If yes, please explain what changes have been put in place. Why were these changes put in place?</p> <p>Are staff utilising these sites during work hours? If yes, how many hours are spent on these sites? What time these sites are most accessed?</p> <p>Will measures be introduced to restrict access to these sites?</p>	Written	14/04/2011	12/05/2011
103	ATO	Bushby	Efficiency Dividend	<p>Have there been any changes to your portfolio's approach since October 2010 to implementing the Government's savings election commitment of a maintaining the annual efficiency dividend on departmental expenses at 1.25 per cent since last estimates? If yes, give details.</p> <p>Will any agencies in your portfolio be seeking an exemption to implementing the efficiency dividend?</p>	Written	13/04/2011	12/05/2011
104	ATO	Bushby	Staffing Levels	<p>What is the total expenditure on staffing for the Department and for all portfolio agencies? What is the SES and non-SES breakdown?</p> <p>What are the current staffing levels for SES and non-SES officers?</p> <p>How many SES were employed in your Department and portfolio agencies as of today?</p> <p>What is the breakdown by each level (each SES band, each Executive Level band and each APS band)?</p> <p>What is the gender breakdown by each level (each SES band, each Executive Level band and each APS band)?</p>	Written	13/04/2011	12/05/2011

				<p>What is the breakdown by location for each level (each SES band, each Executive Level band and each APS band)?</p> <p>What is the breakdown by each level of ongoing staff and non ongoing staff (each SES band, each Executive Level band and each APS band)?</p> <p>What have been the changes in staffing levels since October Estimates 2010? Why have these changes occurred? What have been the budgetary implications? In the case of reductions in staff numbers, how have these reductions been absorbed by the Department? What functions these staff performed have been sacrificed and why?</p> <p>Are there expected changes to current staffing levels over the next 12 months? If yes, provide details including a breakdown of each level staff (each SES band, each Executive Level band and each APS band) detailing the changes. Will this be different to what was reported in the 2010-11 Budget?</p> <p>Is there a target for staff reductions to achieve savings? What is that target and what strategy is being implemented to achieve this?</p> <p>Have any voluntary or involuntary redundancies been offered to staff? If so, how have staff been identified for such offers? Are there such plans for the future?</p> <p>How many permanent staff recruited since October Estimates 2010? What level are these staff? Where is their location?</p> <p>Since October Estimates 2010, how many employees have been employed on contract and what is the average length of their employment period?</p> <p>What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions or increases are envisaged please explain including reasons, target numbers etc.</p>			
105	ATO	Bushby	Consultancies	<p>How much has the Department spent on consultancy services this financial year? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).</p> <p>How many consultancies have been undertaken or are underway since October Estimates 2010? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).</p> <p>Is the Department/agency up to date with its reporting requirements on the Government's tenders and contracts website? Are the figures available on that site correct?</p> <p>Has there been any changes in the consultancies that are planned for this calendar year since October Estimates 2010? If yes, have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case</p>	Written	13/04/2011	12/05/2011

				please identify the subject matter, duration, projected cost and method of procurement as above, and the name of the consultant if known.			
106	ATO	Bushby	Advertising and Marketing	<p>How much has the Department and portfolio agencies spent on advertising and marketing since October Estimates? Year to date?</p> <p>Could the Department provide a complete list of current contracts? Please indicate the rationale for each service provided and its intended use.</p> <p>What communications programs has the Department and portfolio agencies undertaken since October estimates and what communications programs are planned to be undertaken? For each program, what is the total spend?</p>	Written	15/04/2011	12/05/2011
107	ATO	Bushby	Discretionary Grants	<p>Could the Department provide a list of all discretionary grants, including ad hoc and one-off grants since October Estimates 2010?</p> <p>Please provide details of the recipients, the intended use of the grants and what locations have benefited from the grants.</p> <p>Has the Department complied with interim requirements relating to the publication of discretionary grants?</p>	Written	15/04/2011	12/05/2011
108	ATO	Bushby	Commissioned Reports	<p>How many Reports have been commissioned by the Government in your portfolio since October Estimates 2010? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members.</p> <p>How much did each report cost? How many departmental staff were involved in each report and at what level?</p> <p>What is the current status of each report? When is the Government intending to respond to these reports?</p>	Written	13/04/2011	12/05/2011
109	ATO	Bushby	Hospitality Spend	<p>What is the Department's hospitality spend since October Estimates 2010? Please detail date, location, purpose and cost of all events.</p> <p>For each Minister/Parl Sec's office, please detail total hospitality spend FYTD. Please detail date, location, purpose and cost of each event.</p>	Written	13/04/2011	12/05/2011
110	ATO	Bushby	FOI Requests	<p>How many FOI requests have you received since October Estimates?</p> <p>How many have been granted or denied?</p> <p>How many conclusive certificates have been issued in relation to FOI requests?</p>	Written	13/04/2011	12/05/2011
111	ATO	Bushby	Community Cabinet	<p>What was the cost of Minister's travel and expenses for any Community Cabinet meetings held since October Estimates 2010?</p> <p>How many Ministerial Staff and Departmental officers travelled with the Minister for the</p>	Written	13/04/2011	12/05/2011

				Community Cabinet meeting? What was the total cost of this travel? What was the total cost to the Department and the Minister's office?			
112	ATO	Bushby	Reviews	What is the total number of Reviews both completed and ongoing in the portfolio/agency or affecting the portfolio agency this financial year? Please provide a breakdown of reviews completed this financial year including: i. when those reviews were provided to Government, ii. estimated cost of producing each review (and total cost) and iii. if the Government has responded to the review or information about when the Government has indicated it will/will not respond to the review. How many reviews are ongoing? How many reviews have been completed since October estimates? What further reviews are planned in the portfolio/agency?	Written	13/04/2011	12/05/2011
113	ATO	Bushby	Media Subscriptions	If your department or agencies within your portfolio subscribe to pay TV (for example Foxtel). Please advise the cost to date this financial year. If your department or agencies within your portfolio subscribe to newspapers please advise the cost to date this financial year. If your department or agencies within your portfolio subscribe to magazines please advise the cost to date this financial year.	Written	13/04/2011	12/05/2011
114	ATO	Bushby	Travel Costs	How much has your department and portfolio agencies spent on travel to date this financial year?	Written	13/04/2011	12/05/2011
115	Treasury	Bushby	Banking Package	Senator BUSHBY —I do not know about that. I am happy to leave exit fees there. I do have more questions about the banking package, if I may. Other people may have questions on exit fees. I have questions on the elements of the package, but I will just put a few now and maybe a few on notice. For each of the elements of the banking package, what are the time lines for implementation that currently exist? Mr Murphy —Maybe George can answer that. Senator BUSHBY —Where are they currently at in terms of the stage of the process that you are going through? Mr Lonsdale —I can go through the key ones. There are quite a few, as you know, in the package, but I can go through the key immediate ones, if that is helpful. Senator BUSHBY —And take other ones on notice, if you can. Mr Lonsdale —I am happy to do that. We have talked quite a lot about banning exit fees. The government has just released some draft regulations that it is currently	E112 23/02/2011	14/04/2011	12/05/2011

				consulting on. The idea is that that would be settled in the coming month.			
116	Treasury	Bushby		<p>Banking Competition Package - Senator BUSHBY—Was a website put up with regard to the banking competition package initially which contained time lines which no longer exit on that website?</p> <p>Mr Lonsdale—There is a website, and it still currently exists. To be helpful, I guess we had put up there some additional dates that went beyond what the Treasurer had indicated in the document to try to space out issues like consultation. There was some slippage in those deadlines but no slippage in the overall deadline that the government has promised.</p> <p>Senator BUSHBY—Would you be able to take on notice and provide me with the details of the difference between what those dates that were on that initial website indicated and what they are likely to be now?</p> <p>Mr Lonsdale—Sure. I am happy to do that.</p>	E113 23/02/2011	19/04/2011	12/05/2011
117	Treasury	Bushby	EFTPOS Fees and Regulation	<p>Senator WILLIAMS—Mr Murphy, I want to run you through talk about change in EFTPOS Payments Australia. I am told that the major banks and big retailers are in negotiations with EFTPOS Payments Australia Ltd—EPAL I think they are referred to—to reverse an increased EFTPOS interchange fee from the current merchant-friendly average rate of minus four to five cents possibly up to 12c. I note Russell Zimmerman, the executive director of the Australian Retailers Association and chair of Australian Merchant Payment Systems, said:</p> <p>Changes to the interchange fee have been on the cards for quite a while. He says: The Reserve Bank wanted some competition for Visa and Mastercard and for it to remain competitive. Can you explain or add to what is going on with these EFTPOS fees, please?</p> <p>Mr Murphy—The Australian Payments System Board, which is a body under the Reserve Bank, largely sets the terms and conditions of EFTPOS and interchange fees and whatever. They have had a long-running engagement with industry to try to get the best deals for consumers in terms of fees and charges on EFTPOS transactions and other transactions which we all use. ‘Battle’ may be the wrong word, but it is a continual negotiation between the Payments System Board coming forward with regulation in certain areas and the industry reacting to that. But I cannot really go into the detail. I will take it on notice. It would be better if I take that on notice. I have not really got someone here who could go into the nitty-gritty of the EFTPOS things. We comment on it, but basically if you asked, ‘Who’s the regulator in this place?’ it is the Payments System Board. On that board is the governor of the Reserve Bank, the chair of APRA plus appointees by the Treasurer, who are businesspeople, to try to give a proper business focus to the board. So I would just waste your time. If you give it to me on notice, I will give you the facts and figures and things about it</p>	E114-E115 23/02/2011	25/03/2011	12/05/2011

118	Treasury	Williams	Internet Banking	<p>Senator WILLIAMS—I used to be in small business. One Saturday morning I had my banking on my computer in my shop. I pulled out my savings account and I put \$5 through it. The bank was St George and my EFTPOS was with CBA. Within the matter of a second the \$5 was gone from my savings account—it was on my computer in front of me—on the Saturday morning. The following Wednesday, that \$5 arrived in my business account. I know through the banking inquiry that Bendigo Bank will do the transfers overnight regardless, even on Christmas Day, weekends and everything. If a business is waiting from Saturday morning, for example, up to Wednesday to get their money you wonder where the money evaporates to, where it goes.</p> <p>Mr Murphy—You start to question it, don't you.</p> <p>Senator WILLIAMS—It is slow. In this world of technology, you would think, 'If you can get it out of my account in a half a second, how come it takes you five days to get it into my other account?' Is that something you could perhaps look at?</p> <p>Mr Murphy—We could get you a briefing on that. As I say, the banks push very hard to get more competition and to free up the market in terms of the provision of financial services to the community. It is hard going. The fact of the matter is the institutions own all the technology. They have sunk the costs in. They have made the big investments. Then as government comes along and says, 'Well, we want you to do this and do that', they are obviously resistant.</p>	E115 23/02/2011	31/05/2011	23/06/2011
119	Treasury	Cameron	Merchandise Trade	<p>Senator CAMERON—Do you have a figure for merchandise trade between Australia and the US, and where has that been going?</p> <p>Mr Di Giorgio—'Merchandise trade' is getting specific.</p> <p>Senator CAMERON—You can take it on notice if you like.</p> <p>Mr Di Giorgio—Yes. I do not have a figure on merchandise trade as such.</p> <p>Senator CAMERON—Can you take that one on notice for me, for the period just prior to the bilateral agreements and since.</p> <p>Mr Di Giorgio—Certainly.</p>	E119 23/02/2011	25/03/2011	12/05/2011
120	Treasury	Cameron	Trade Deal	<p>Senator CAMERON—I agree with you in your response that that is not the factual position. It is a bilateral trade deal or a preferential trade deal where not all barriers are removed. How can we have any confidence in the modelling that is done which uses that assumption that all trade will be free when we know that it is not going to be the case, and then we tell the public that these are the benefits that you will get and that is the figure? It is not like advertisers. The banks will put a little asterisk and say, 'Read the fine print.' We do not do that; we say, 'This is what you're going to get,' and we know it is not. Have you got any answers?</p> <p>Mr Murphy—With any modelling you will have assumptions. I would have to go back and look at the modelling that we are talking about, but there will be assumptions. Oftentimes in these things you make assumptions with a fixed number of factors and then you run a scenario change. I note that in this area it might be worth looking at the Productivity Commission's report, which has just been published, on bilateral free trade</p>	E120 23/02/2011	7/04/2011	12/05/2011

				<p>agreements—it is quite a weighty document—in terms of the benefits, how it is assessed and so on. When I responded to you I said that the Productivity Commission was undertaking a study. That has now been released, so it might be worth looking at.</p> <p>Senator CAMERON—I thought I would come direct to Treasury. I thought you guys were the experts.</p> <p>Mr Murphy—That is what I am saying. It might be worth our looking at that and then coming back to you.</p> <p>Senator CAMERON—Yes. You are the market experts on this. The public are fed a line based on a false assumption, not by Treasury but by the modelling that is done to say, ‘Embrace these free trade agreements, because this is the increase in GDP, this is the increase in trade in terms of what is happening’, but it has not happened.</p> <p>Mr Murphy—If you really wish to address free trade agreements, I suggest that is a matter for the Department of Foreign Affairs and Trade.</p> <p>Senator CAMERON—No. I would suggest it is not, because the economics of it is the Treasury.</p> <p>Mr Murphy—Yes, of course.</p> <p>Senator CAMERON—That is why I am asking you. I would not ask the Department of Foreign Affairs and Trade about modelling.</p> <p>Mr Murphy—They commission the modelling.</p> <p>Senator CAMERON—That does not make them experts on it, does it?</p> <p>Mr Murphy—Yes.</p> <p>Senator CAMERON—You are kidding me? Your market department is about informed decisions on the operation of the Australian market. If I am looking for an informed view on these issues, I am coming to you.</p> <p>Do you think that is fair enough?</p> <p>Mr Murphy—It does not matter whether I think it is fair or not, because that is what your request is. We will do our best to look into it.</p> <p>Senator CAMERON—I am asking you again to have a look at what I asked for, to have a look at what you can come back to me on, and actually try to answer the question. Also in addition to that, I would appreciate it if you could give me some details on the merchandise trade and the US free trade agreement.</p> <p>Mr Murphy—Yes.</p>			
121	Treasury	Cormann	Corporate Governance Arrangements	<p>Senator CORMANN—Mr Cooper made a number of recommendations in relation to corporate governance arrangements. I am particularly interested in three recommendations. One is the recommendation to ensure that, where a superannuation trustee board does not have equal representation, the trustee must have a majority of non-associated or independent directors, and another is the one where the trustee board must have equal representation and no less than one-third of total directors must be non-</p>	E125 23/02/2011	30/03/2011	12/05/2011

			<p>associated and no less than one-third of employer representatives must be non-associated. Why has the government not supported those two recommendations?</p> <p>Mr Rollings—My understanding of that particular area of the SIS Act, with a rather detailed set of provisions on it, is that, whilst equal representation at the moment is mandatory in a limited number of circumstances, in a lot of cases funds opt to have equal representation on their board of their own volition. The government’s response in this area essentially reflects that they think the current arrangements should remain the same.</p> <p>Senator CORMANN—Cooper would have had a reason to make a recommendation. From his point of view it was an important way to improve the corporate governance structure of superannuation funds. You say the government decided that it should remain. I guess I am looking for an explanation of policy. Why does the government think that it should remain?</p> <p>Mr Rollings—I am not a particular expert on the details. I would be happy to take the detailed question on notice.</p> <p>Senator CORMANN—Yes, please take it on notice. Can you also explain why the government has only noted and not supported the recommendation that directors wanting to sit on more than one board must attest to APRA that at the time of appointment there is no reasonably foreseeable conflict of interest. I would have thought that ensuring that corporate governance arrangements help avoid foreseeable conflicts of interest would have been a good thing. The talk on the street is that the minister may be a bit too focused on a certain bias towards a certain section of the superannuation industry rather than acting in the broader public interest, so I am interested in your answer to the question on notice.</p> <p>Senator Wong—Do you want him to answer that last assertion?</p> <p>Senator CORMANN—I would like the department to answer why the government is not supporting the recommendation that directors wanting to sit on more than one superannuation board must attest to APRA that at the time of appointment there is no reasonably foreseeable conflict of interest. I would have thought that it was a sensible recommendation.</p> <p>Senator Wong—If you can just put a full stop—</p> <p>Senator CORMANN—To put a context around it so that everybody understands where I am coming from—</p> <p>Senator Wong—I do not think—</p> <p>Senator CORMANN—There is the view that the minister is letting his union bias get in the way of acting in the public interest. I am sure that will help and assist Treasury in putting forward the most informative answer possible to my question.</p> <p>Senator Wong—I do not think it is Treasury’s responsibility to respond to a political assertion that you made. In relation to the question as to what was the rationale behind the noting rather than the acceptance of that particular recommendation, I am sure that can be taken on notice.</p>			
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122	Treasury	Ludlam	Question on Notice from Supplementary Estimates - SBT 168	<p>Senator LUDLAM—I should say thank you to you both for returning the questions on notice that I put. The one that we did not get back was the one that I was going to put to you, Minister. Senator Sherry was at the table last time we had this discussion. I asked him to find out why we were not doing anything to promote the existence of the National Contact Point in host communities. This is an office that is meant to be available. If I am in Malawi and a uranium mining company is making a mess of the local river, I have a right to complain to the National Contact Point in the office of the company, but we do not appear to do anything at all to disclose to host communities the fact that this office exists and that there is a resource there. If I am incorrect in surmising that no answer came back from the minister, the answers from the department came back, but nothing came back from Senator Sherry. Is there any information that anyone can add as to whether we intend to promote the existence of this office?</p> <p>Senator Wong—Was the question taken on notice?</p> <p>Senator LUDLAM—It was taken on notice by Senator Sherry.</p> <p>Senator Wong—If the minister takes it on notice then it is generally put down as a question on notice whether an answer is filed or not.</p> <p>Mr Murphy—We have answered the list of cases before the OECD National Contact Point and we have also answered—</p> <p>Senator LUDLAM—I have three answers back.</p> <p>Senator Wong—in relation to the OECD National Contact Point overseas. That is this one.</p> <p>Senator LUDLAM—I have three back from the department and nothing back from the minister’s office on why we do not promote the office.</p> <p>Senator Wong—I do not understand what you mean by the minister’s office. We do not get a separate thing from the minister. The questions on notice take this form and are filed with the committee. I am a little confused as to what you are asking about.</p> <p>Senator LUDLAM—We are quite short of time. I will give you the reference.</p> <p>Senator Wong—No. Just give me the question and I will take it on notice. I am sure Mr Murphy or Mr Di Giorgio will ensure that an answer is considered?</p> <p>Senator LUDLAM—I will restate it. If host communities have no idea at all that this office exists, what is the point of it? What do we do to promote it in host communities? That is the question that Senator Sherry took away.</p> <p>Mr Murphy—We will look at overseas practice, which you have raised, and we will also look at it in terms of the OECD and the guidelines.</p> <p>Senator Wong—Senator, I think you are wrong. Is this how you number them in this committee—SBT 168?</p> <p>Senator LUDLAM—Yes.</p> <p>Senator Wong—It says: I take your point, Senator. I will take it on notice. And then an answer has been provided.</p> <p>Senator LUDLAM—Can you give us the number?</p> <p>Senator Wong—SBT 168 is the number that I have in front of me. There is a very long</p>	E128-E129 23/02/2011	25/03/2011	12/05/2011
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				<p>exchange between you and Mr Di Giorgio and then Senator Sherry says: I take your point, Senator. I will take it on notice. There is then an answer provided: ‘As a member of the OECD’ and it goes on to say what is done. It probably will not be as much as you would like. Senator LUDLAM—It was not an answer to the question that I asked; that is why I overlooked it. I asked: what do we do to promote the existence of the office in host countries? That is not what the answer is addressing. Senator Wong—It says it is committed to promoting the guidelines. It talks about the website. It talks about heads of mission being briefed. Senator LUDLAM—If I am in a village in Malawi or in PNG and there is an Australian mining company setting up camp next door, what do we do to inform those people that they have a right of appeal to the NCP? That is the reason for its existence. Senator Wong—I am not sure how much the NCP applies to every single place in which Australian companies are operating. Senator LUDLAM—I will give you an example. Why are the mining or resource companies not required to disclose that this office exists and hand out a piece of paper? Senator Wong—That question is probably— Mr Murphy—Yes. We can do that. It is probably a question for the actual guidelines themselves. Senator LUDLAM—It is not an unreasonable question? Senator Wong—No</p>			
123	Productivity Commission	Cameron	Productivity Commission Report	<p>Senator CAMERON—What has happened to my friend Mr Banks? What has happened to the chair? Dr Kirby—The chair is actually on leave at the moment. He is interstate attending his son’s wedding. Senator CAMERON—That is a good excuse. Dr Kirby—It only comes around once in a lifetime, I guess—hopefully. Senator CAMERON—It is just that I miss him, that is all. In the <i>Report on government services</i> that you mentioned there is a chapter on school education. Does the Productivity Commission use the same data sets as those used for the <i>National report on schooling</i>? Dr Kirby—I do not know about that but I can tell you the data set we do use, and I think it is important to understand the process. There is a subtle difference here in that the report on government service delivery is not a Productivity Commission report. We act as a secretariat for a COAG steering committee, so it is a subtle difference. What it means in practice is that all the information which goes into that RoGS report is provided to us by state and Commonwealth governments. The quality and the accuracy of all that information is checked quite thoroughly by Commonwealth and state governments so there quite an intense quality control process there. The data is one of the best data sets</p>	E131 23/02/2011	06/07/2011	07/07/2011

				<p>in terms of comparability and analysis of those sorts of issues.</p> <p>Senator CAMERON—Given that checking that you do, what is the explanation for the much lower increase in government funding for private schools in the <i>Report on government services</i> than that which is showing in the <i>National report on schooling</i>?</p> <p>Dr Kirby—I am aware of the issue and I understand it is largely a question of apples and oranges, making sure that the data that you are talking about is actually comparable. There are several things that one needs to be aware of to ensure that the comparisons are legitimate. One is the issue of capital versus recurrent expenditure. As I understand it, our report concentrates on recurrent expenditure. Some people throw capital into the mix as well. There are differences from time to time in terms of whether you are talking about calendar years or financial years—</p> <p>Ms Gropp—And whether it is real or whether it is current.</p> <p>Dr Kirby—Yes. We stand by the quality of the data in the RoGS reports but some people use different data.</p> <p>Senator CAMERON—The private school funding figures in the <i>Report on government services</i> include only recurrent funding and exclude capital grants. How can the figures for the period 2001-02 to 2005-06 in the RoGS be higher than the funding figures in the successive issues of the <i>National report on schooling</i> when the NRS figures include capital grants?</p> <p>Dr Kirby—I think we would have to take that on notice to look at the data in detail.</p> <p>Senator CAMERON—How does the Productivity Commission explain the difference between the increase reported in the <i>Report on government services</i> and that being provided in annual supplementation under the SES funding model in line with increases in average government school recurrent costs?</p> <p>Dr Kirby—We will take that on notice.</p> <p>Senator CAMERON—Can the Productivity Commission investigate the apparent disparities between the figures in the <i>Report on government services</i> chapter on school education and the percentage increases in average government school recurrent costs and the disparities between the RoGS figures and those in the <i>National report on schooling</i>, and advise the committee on the results of these investigations?</p> <p>Dr Kirby—Will do.</p>			
124	Productivity Commission	Cameron	National Report on Schooling	<p>Senator CAMERON—Can you provide the methodology of those fundamental checks?</p> <p>Dr Kirby—Yes, I think we could. We could provide a description of the processes by which the RoGS is put together.</p> <p>Senator CAMERON—If people are looking for the accurate spending on schools they should not look at the government's figures, they should look to yours; is that what you are saying?</p> <p>Dr Kirby—I would suggest that would be a first port of call.</p> <p>Senator CAMERON—Even though the inputs are from a wide range of states and you are relying on their accuracy for the input?</p> <p>Dr Kirby—That is right. Remember also that the individual states are also keeping the</p>	E132 23/02/2011	21/06/2011	23/06/2011

				<p>layout on their fellow states in the accuracy of that data as well. If you actually look at the report you will see that the data in the report are very, very thoroughly described, including the caveats on the data and any data differences between states et cetera.</p> <p>Senator CAMERON—Have you done an analysis on the <i>National report on schooling</i>?</p> <p>Dr Kirby—No.</p> <p>Senator CAMERON—Could you take on notice to have a look at the <i>National report on schooling</i> and the outcomes there, and compare them to what you are saying are the accurate figures?</p> <p>Dr Kirby—As I indicated before, we will provide some advice on the data differences.</p>			
125	Productivity Commission	Ludlam	Staff Qualifications	<p>Senator LUDLAM—If you want to correct the record after we have done, that is fine. Have there ever been any periods when the commission was in breach of that section, that is, you had nobody with that expertise on your team?</p> <p>Dr Kirby—Not to my knowledge in the time I have been with the commission.</p> <p>Senator LUDLAM—For how long is that?</p> <p>Dr Kirby—Since 2004.</p> <p>Senator LUDLAM—That is a bit of history. How many senior staff have you currently got with qualifications in ESD, environmental conservation or environmental economics or any of those related fields?</p> <p>Dr Kirby—I would have to take that on notice.</p>	E133 23/02/2011	7/04/2011	12/05/2011
126	Productivity Commission	Cormann	Senate order for production of documents	<p>Senator CORMANN—You went through a very impressive and very extensive list of projects but I thought there was one missing, which was commissioned by the Senate and which has a deadline of 31 May 2011—namely, the report commissioned by the Senate on the design of a process for the selection and ongoing review of superannuation funds to be included in modern awards or enterprise agreements as default funds. Where is that project at?</p> <p>Dr Kirby—I am aware of the order of the Senate last year and the renewal of that order this year. Let me start by saying that the commission has the utmost respect for the Senate and none of our action so far, nor what I am about to say, should be interpreted as any disrespect. We have previously complied with requests from the Senate to supply documents. For instance, in 2009 the Senate asked us to supply documents with respect to the Carbon Pollution Reduction Scheme and we did that, including several internal minutes which were supplied. The issue this time around is really about creation of new documents. I guess, whilst I have no legal training and I do not want to enter a legal debate, the issue is, as we interpret it, whether we are compelled to produce a document which relies on information that we do not have. The reality is that the commission at the present time has no information on default super schemes so we are just simply not in a position to create such a document for the Senate.</p>	E134-135 23/02/2011	7/04/2011	12/05/2011

			<p>That is really where it is at the moment. We of course will be listening to wiser heads on the legalities of all this but at the moment that is where it sits.</p> <p>Senator CORMANN—Thank you for your explanation. That sheds some light on where it is that you are coming from, which would help the Senate address the reasons for your current predicament, I guess, from your point of view. But I thought I would just share with you that there is a longstanding history of governments of both persuasions asking statutory agencies to create reports, including reports created for the purpose of complying with the order in relation to documents that are not held by the agency—</p> <p>Senator Wong—Senator—</p> <p>Senator CORMANN—There is a question in this. Please, I am being quite sincere on an issue that the Senate has occupied a lot of time trying to get itself on top of. I have waited patiently to ask my question.</p> <p>Invariably, past orders of the Senate were initiated by cross-bench senators or by senators of the opposition.</p> <p>That is the nature of the way the Senate operates. But they were passed by the Senate and a majority of the Senate supported them.</p> <p>I will give you some examples to put into context for you a request that was made to the Productivity Commission. I will put that into the context of past instances where similar statutory agencies have complied with them. I guess on notice I would like you to get back to the Senate to see whether the information in any way changes your perspective. I draw your attention in particular to, for example, an order of the Senate initiated by Senator Murray asking the ACCC to report on issues relating to grocery retailers, which involved the creation of documents not held by the ACCC at the time. Similarly, the ACCC was asked by the Senate on a motion initiated by then Democrat Senator Allison to report on tobacco and health related issues. In fact the ACCC was ordered to do so on two occasions and complied with that order.</p> <p>In more recent times, Senator Fielding initiated an order for the Australian Securities Investment Commission and the Future Fund Board of Guardians to report on issues relating to the disposal by the Future Fund of shares in Telstra.</p> <p>Over the last 30 years there is a long track record, whether it was the Hawke, Keating or Howard governments, of statutory agencies created by the parliament complying with orders of this nature. I guess the advice from the Clerk of the Senate is that, unless the act which is governing the operation explicitly rules that out, then under section 49 of the Constitution we are entitled to make the request and we are entitled to expect a response and compliance with that request unless there are clear and articulated public interest reasons as to why it would not be in the public interest.</p> <p>I thank you for your indulgence on this. I thought it was important to put it on the record to enable you to on notice provide an answer to this committee as to the explanation I have just provided. I also seek leave to table the list of precedents so that it can be shared with the Productivity Commission formally and so that enables you to perhaps on notice provide an answer to see whether any of this changes your view on these things.</p>			
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				<p>Senator Wong—Obviously the relevant minister, which would be the Assistant Treasurer, will actually need to respond. I have not gone through <i>Odgers</i> and looked at whether or not all of those orders were complied with nor investigated this matter in detail. But, in general, my understanding of orders for production has been for documents in existence. Perhaps if you had an order for production of a document which was effectively pulling together documents you already had in existence and indexing them or providing some summary, but you are actually seeking more than that. Perhaps I have not looked at every order for production, but it is a very significant further step to be suggesting that the Senate itself can order a statutory body to in fact undertake a further inquiry. That is effectively what your motion is doing.</p> <p>I would invite senators, including cross-benchers, to consider whether or not that is really appropriate. I understand you want to be in government but statutory authorities do not generally simply go away and do inquiries because one part of the parliament tells them to in relation to policy issues. But Dr Kirby has made his response. I understand it is also a matter that the Assistant Treasurer will have to respond to as the responsible minister, and I am not sure we could take it much further than that.</p> <p>CHAIR—I will just take it that the committee agreed that the document be tabled.</p>			
127	ASIC	Cameron	Brokerage Houses	<p>Senator CAMERON—What checks and balances are there against fraud at the brokerage houses?</p> <p>Ms Gibson—I cannot answer that, I am afraid, Senator.</p> <p>Senator CAMERON—Do you think that you should be able to answer that?</p> <p>Mr D'Aloisio—Well, the companies themselves and the chairman—</p> <p>Senator CAMERON—So is it self-regulation?</p> <p>Mr D'Aloisio—You would appoint them to carry out the scrutiny and count the votes—and count them properly. You appoint them to perform. So the company itself would want to make sure that there has not been any vote rigging or pushing of votes. The fact that we are not aware of it being a problem, in the sense of complaints and issues to us, would indicate that, by and large, it works very well.</p> <p>Senator CAMERON—What if there is a vested interest? What if there is a corrupt company director involved in establishing the process and there is corruption in the brokerage house? Is that beyond the realms of possibility?</p> <p>Mr D'Aloisio—Well, it is possible, but the reality is that shareholders know. Institutional shareholders talk to each other, they put their proxies in, other shareholders vote and there is a show of hands at the meeting. I think they would be alerted to it pretty quickly if there had been any rigging. Where there are people who might have a conflict of interest, those conflicts of interest need to be disclosed. I think we could look at it further, but certainly it is not on our radar as a major problem.</p> <p>Senator CAMERON—I hope that I am putting it on your radar—</p> <p>Mr D'Aloisio—I am happy to put it on.</p> <p>Senator CAMERON—because I intend to continue asking questions about this. You say that you are having a look at this issue within your organisation. Can you come back</p>	E11 24/02/2011	8/07/2011	

				to me and let me know exactly what you are doing and whether you are prepared to have a look at some different processors where shareholders can be sure that there is some consistency in terms of the process, and there are some checks and balances in terms of ensuring that the votes are fair and above board? Ms Gibson —We can do that.			
128	ASIC	Bushby	Exit Fees	Senator BUSHBY —I want to ask a few follow-up questions to the questions that were taken on notice. One of them was to do with exit fees, which my colleague Senator Cormann has already touched on in terms of the broader powers. I had asked whether ASIC had used any of the new powers that you have been provided with under the national credit code. You went through and outlined what you had done with exit fees, that you had put out regulatory guide 220, and what that approach was and so forth. What types of fees under that regulatory guide do you consider are reasonable? Mr D'Aloisio —What we have done in the guide itself is to give the principles and some examples. I do not have the guide with me. Essentially we are saying that only losses caused by early termination can be recovered, that fees cannot be a source of profit and cannot be used to pay for general marketing or product development costs and cannot be used to punish borrowers who want to shift. We say that fees cannot result in double-dipping. So costs that are recovered through establishment fees cannot be recovered again through early termination fees. We give that sort of guidance when you look at each situation. So for us this guide is very much about saying to the industry: 'Look, this is a change in the law; this is a serious issue. You have to look at your processes'. Basically exit fees and termination fees are going to be unfair unless they meet the guidelines that I have just mentioned. Last month we commenced an industry review of early exit fees. We are writing to 20 major lenders, and we are going to assess over the coming months just how they have changed and how they are now complying with the changes. At the same time, we are working with industry, because it is a new area, to ensure that there is compliance with the new laws. Clearly, we follow up complaints that we receive. We have not received a lot as yet but we will follow them up as they come. Senator BUSHBY —So you have not received many complaints? Mr D'Aloisio —No. My notes say that we have not received many complaints. I do not have an exact number. Senator BUSHBY —Would you mind taking on notice how many complaints you have received? Mr D'Aloisio —Yes, I will. Senator BUSHBY —You say that you are looking at the top 20 major lenders— Mr D'Aloisio —We are just saying 20 major lenders.	E13 24/02/2011	25/03/2011	12/05/2011
129	ASIC	Eggleston	Singapore's Regulations	Senator EGGLESTON —Thank you very much. Singapore's regulations: do you wish to make any comment on the regime there, just in brief? I know that time is moving on. Mr D'Aloisio —Senator, I have enough trouble with ours. Senator EGGLESTON —Is it a different—	E15 24/02/2011	28/03/2011	12/05/2011

				<p>Mr D'Aloisio—In broad terms—</p> <p>Senator EGGLESTON—Is it fundamentally a different system?</p> <p>Mr D'Aloisio—One of our commissioners, Shane Tregillis, has worked for the MAS for a number of years. His view is that there are a lot of comparable things between the two systems, and Singapore has borrowed a few things from Australia. I think we can get you a separate opinion on that, if you need it. That is just a broad view.</p> <p>Senator EGGLESTON—I would appreciate that, if you could, and thank you for those answers.</p>			
130	ASIC	Cormann	Financial Advice Stakeholder Team	<p>Senator CORMANN—Interesting. I have a series of other questions. Is it correct that your financial advice stakeholder team does not have a senior manager and has not had one for some time?</p> <p>Mr Medcraft—The leader of the financial advice stakeholder team is Delia Rickard.</p> <p>Senator CORMANN—So it does have a senior manager?</p> <p>Mr Medcraft—She is actually a senior executive leader.</p> <p>Senator CORMANN—So that is bad market intelligence, is it?</p> <p>Mr D'Aloisio—The confusion may be that the financial advice area—I think they were put together.</p> <p>Mr Medcraft—What we did was to put together two areas. The actual team was called 'consumer advisers and retail investors'. We effectively merged it to create one team under Delia Rickard, basically because we saw a lot of synergies between consumer advice and retail investor literature.</p> <p>Senator CORMANN—Is the effect of what you have done that the financial advice stakeholder team has essentially been downsized in recent years?</p> <p>Mr Medcraft—In all of our groups, we have people leave. I cannot tell you what the numbers are currently.</p> <p>It is a merged team. In fact, what is interesting in that team is that many of the people who were in the consumer and financial literacy team are actually now starting to get involved in surveillance of financial advisers, and vice versa.</p> <p>Senator CORMANN—Because I want to give Senator Bushby some time, I will quickly ask you, perhaps on notice, to give us some advice on what actually happened. You have said you have merged those two sections. How many staff were in those two sections before? What did they do before? How many staff are now in the merged section and what are they doing? I am just trying to get a sense of to what extent financial advice reform remains a priority in the context of what the government is doing.</p> <p>Mr Medcraft—All I can say is that we will come back to you with that information. I think it is a very important priority, particularly with the initiatives announced.</p> <p>Senator CORMANN—The suggestion on the street is that the whole focus has lessened somewhat. So I am giving you the opportunity to prove them wrong.</p> <p>Mr Medcraft—Sure. We will come back to you.</p> <p>Mr D'Aloisio—We will do that.</p>	E19 24/02/2011	28/03/2011	12/05/2011

				Senator SHERRY —We will take it on notice.			
131	ASIC	Bushby	Question on Notice from Supplementary Estimates - SBT 65	<p>Senator BUSHBY—I want to go through some answers to questions on notice that you provided. Just looking at one question, SBT 65, about the enforcement special account, you listed the amount paid out of the ESA over the last four years. It will go from \$16 million to \$23 million to \$23 million to \$57 million in the 2009-10 year. That is a big jump. Obviously there is a lot of activity in terms of how much you are spending on enforcement. Also, you noted that you had \$17.7 million in the ESA as at 31 October. Can you give me an update on where it currently stands and maybe a short explanation of why it has gone up so much?</p> <p>Mr D'Aloisio—There are a couple of things. Certainly, there are major matters and where they have reached court some of them have gone up. There is also in that \$57 million the \$13½ million we paid in costs in OneTel. So the increase is relevant to activity, relevant to GFC, relevant to the collapses—major matters. As at the end of January or the end of December or January, it would probably have been standing at about \$20 million, I think, in terms of—</p> <p>Senator BUSHBY—How much have you expended?</p> <p>Mr D'Aloisio—what we will have spent in this year's allocation.</p> <p>Senator BUSHBY—What is the balance?</p> <p>Mr D'Aloisio—The balance gets to 30 each year; that is the balance.</p> <p>Senator BUSHBY—So that is the balance of what you would expend.</p> <p>Mr D'Aloisio—And, clearly, you look at that as you run your matters. As for the reason that it jumped to \$57 million, it is \$30 million a year but you can bring forward what you do not spend in one year to the next.</p> <p>Senator BUSHBY—Do you need to pool the whole amount that you have not spent?</p> <p>Mr D'Aloisio—You can bring that forward. If you average that out, you are not exceeding the \$30 million.</p> <p>Senator BUSHBY—Has it been \$30 million every year from 2006-07?</p> <p>Mr D'Aloisio—My understanding is yes. Since I have been chairman, it has been \$30 million.</p> <p>Senator BUSHBY—So, effectively, \$120 million has gone into the ESA over that four-year period—\$150 million including this year—and you are down to about \$10 million left out of that.</p> <p>Mr D'Aloisio—Yes.</p> <p>Senator BUSHBY—If you can give me the updated figures, it would be appreciated.</p> <p>Mr D'Aloisio—Sure.</p> <p>Senator BUSHBY—Also, in SBT 151, I asked questions about the hospitality spend. You indicated that you were not able to provide a break-up of your hospitality spend. When I ask other agencies, they are able to provide that, and I would like to request that you look at your record keeping to see whether it is possible to do that in future.</p> <p>Mr D'Aloisio—Is there an agency that we can follow—</p>	E19-E20 24/02/2011	25/03/2011	12/05/2011

				<p>Senator BUSHBY—I have copies of it and—</p> <p>Mr D’Aloisio—I am all for transparency, so it is not an issue in giving you the—</p> <p>Senator BUSHBY—We ask others and they can tell us how much they have spent—for example, how much a Takeovers Panel dinner cost. Those are the sorts of things we would get from others. It would be very useful for transparency. Similarly, at SBT 146, I asked about consultancies. Your answer referred me to the AusTender website. Other agencies actually give me the list. I went to the tenders website and had a look, and it is a quite complicated procedure to work out the answers that I want, which I imagine you probably have at your—</p> <p>Mr D’Aloisio—I apologise. We will get you that information.</p>			
132	ASIC	Bushby	Question on Notice from Supplementary Estimates - SBT 144	<p>Senator BUSHBY—Thank you. I have some questions on staffing levels. In SBT 144, in response to my question, ‘Have any voluntary or involuntary redundancies been offered to staff; if so, how have staff been identified for such offers; are there such plans for the future?’ you say there have been voluntary and involuntary redundancies offered to staff. Then, in SBT 162, when I was asking about the efficiencies, you say that there were no voluntary or involuntary redundancies offered to staff in order to meet the 2010 MYEFO— which is more specific, I would note. How do those two answers sit with each other?</p> <p>Mr D’Aloisio—Can I take that on board and give you an explanation? I am sorry if there is confusion.</p>	E20 24/02/2011	25/03/2011	12/05/2011
133	ASIC	Bushby	Question on Notice from Supplementary Estimates - SBT 156	<p>Senator BUSHBY—Thank you. With respect to government payments of accounts, in answer to question on notice SBT 156, you say 91 per cent of all invoices were paid within 30 days. Most of the ones that were not were due to the receipt of incorrect invoices or differences in respect of amounts charged. The use of the word ‘most’ just struck me. With the ones that are not, what is the cause of delays?</p> <p>Mr D’Aloisio—It could be disputes, but I will get you more detail.</p>	E20 24/02/2011	25/03/2011	12/05/2011
134	ASIC	Bushby	Question on Notice from Supplementary Estimates - SBT 191	<p>Senator BUSHBY—Okay. In SBT 191, which talks about the challenges to the use of ASIC’s compulsory powers, you noted that, since 1 July 2007, ASIC’s use of compulsory powers has been challenged in court seven times and you also noted that in two instances ASIC’s use of powers was found to be invalid. What were those circumstances?</p> <p>Ms Gibson—I cannot remember exactly. We will need to come back to you.</p> <p>Senator BUSHBY—If you could, please. You also go on to note that some of these challenges are tactical actions by people or entities who are subject to investigation and they are trying to delay or do whatever. You refer to those seven court challenges and notices included actions by Firepower, two instances, and AWB, two instances. Of those four out of seven, were any of those four the two where your use was found to be invalid?</p> <p>If that is the case, it does not sound like they are tactical.</p>	E21 24/02/2011	31/05/2011	23/06/2011

				Mr D'Aloisio —No, I understand.			
135	Treasury	Cormann		<p>Tax Summit - Senator CORMANN—Thank you, Madam Chair. With your indulgence, may I also associate myself with the comments made by you and the deputy chair. I am sure, Dr Henry, that you will miss us in the months ahead. Just to make sure that your experience is as enjoyable as possible today, we will give it our best!</p> <p>Perhaps I could start by asking you where we are at with the government's promise to the Independents to hold a tax summit by 30 June 2011.</p> <p>Dr Henry—It is my understanding that details of the tax summit have yet to be finalised. I think the Prime Minister has indicated that the summit is likely to be in the second half of this year. But, beyond that, I am not aware of details having been provided publicly of the summit and, as I say, it is my understanding that those details are still under consideration.</p> <p>Senator CORMANN—You can confirm that it will not be happening by 30 June, by the sound of it.</p> <p>Dr Henry—I cannot confirm it, because I have been told that the Prime Minister made a remark to the effect that it would be in the second half of this year. I did not myself see the Prime Minister make that remark but it has been reported to me. I would not want to confirm for the committee that the summit will not occur before 30 June because, until details are finalised, there is obviously some uncertainty about the precise date.</p> <p>Senator CORMANN—It has been reported to me that the Treasurer, in fact, made some comments to some business people in Melbourne to the effect that it was most definitely not going to happen by 30 June, although I have not seen that reported, that it may happen by the end of this year but it could well be as late as next year.</p> <p>Is that a line of discussion that you are aware of?</p> <p>Dr Henry—I was not aware of that.</p> <p>Senator Sherry—That is hearsay. I will take on notice, though, the question about the dates or date.</p>	E21-E22 24/02/2011	28/03/2011	12/05/2011
136	Treasury	Cormann	Tax Summit	<p>Senator CORMANN—Is there a tax summit team or is it just one person at the moment?</p> <p>Dr Henry—I would have to take that question on notice.</p>	E22 24/02/2011	30/03/2011	12/05/2011
137	Treasury	Cormann	Comparison of the RSPT and MRRT	<p>Senator CORMANN—The argument in the <i>Fin Review</i> today, which I think is a legitimate argument, is that, if you want to compare the impact of the mining tax deal of 2 July to what former Prime Minister Kevin Rudd put forward, you really have to compare the RSPT and the MRRT based on the same assumptions.</p> <p>Given that you revised your assumptions for the MRRT, to really test the fiscal impact you have to apply the same commodity price and other assumptions to the RSPT model. Have you gone through that exercise in Treasury?</p> <p>Dr Henry—I am not aware of it myself. I would have to take it on notice.</p>	E25-E26 24/02/2011	31/05/2011	23/06/2011

				<p>Senator CORMANN—If you have done it, now that you have taken it on notice, could you provide us with information about the outcomes of that—</p> <p>Dr Henry—As with all of these matters, I will of course be referring the question to the Treasurer.</p> <p>Senator CORMANN—Of course. But just to put on record that, if the Treasurer was inclined not to respond to these things, given that the information has otherwise been provided under FOI requests to media outlets—</p> <p>Dr Henry—No. Actually, I do not think information on this matter that we have just been discussing has been provided under FOI to anybody.</p> <p>Senator CORMANN—If I also can then put on notice the \$7.4 billion estimate, the modelling that was done for that. Could I obtain on notice the equivalent information to the one that was released under FOI for the MRRT model but under revised estimates that happened for the purposes of MYEFO? Just looking at the MRRT model, over the 10 years there has been \$38.5 billion worth of MRRT revenue, with \$25 billion of it coming from iron ore. That is about 65 per cent. It is fair to say that the iron ore share of the MRRT revenue is a proxy for the Western Australian share of the MRRT revenue, is it not?</p> <p>Dr Henry—That is probably a reasonable proxy, I would think.</p> <p>Senator CORMANN—I see people behind you sort of nodding.</p> <p>Dr Henry—That is encouraging.</p> <p>Senator CORMANN—It is encouraging for you and it might be encouraging for the federal Labor government but it is not encouraging for those of us from the great state of Western Australia, because it means that over the forward estimates 80 per cent of the MRRT revenue would come from Western Australia: 87.5 per cent in the first year, 76.9 per cent in the second year and, of course, 64.93 per cent over 10 years. It sort of makes it a tax on Western Australia, does it not?</p> <p>Senator CAMERON—So it should.</p> <p>Senator CORMANN—I am pleased to hear you say that.</p>			
138	Treasury	Cormann	Flood Levy	<p>Senator CORMANN—We will. In terms of the flood tax, what options has Treasury provided to the government to fund the reconstruction package?</p> <p>Senator Sherry—That is a policy option to government, so we cannot go there.</p> <p>Senator CORMANN—Why can't we go there?</p> <p>Senator Sherry—It is policy advice to government.</p> <p>Senator CORMANN—Are you claiming public interest immunity?</p> <p>Senator Sherry—No. I will take it on notice. But you are well aware of it. You can chuckle and laugh, but I have sat where you have, Senator, and posed similar questions and made similar vain attempts. We are very consistent in our approach, as you were when you were in government.</p>	E26 24/02/2011	30/03/2011	12/05/2011

139	Treasury	Brown	Mineral Price and Volume Assumptions	<p>Senator BOB BROWN—Thank you very much. I will not take too long. On the same matter of the minerals tax, the <i>Financial Review</i> story this morning, front page, refers to \$100 million forgone over the coming decade, under the price and volume assumptions that have not been released. Are those price and volume assumptions held by Treasury and, if so, can the committee have them?</p> <p>Dr Henry—Obviously we have within the department the price and volume assumptions on which the MRRT revenue estimates in MYEFO were constructed. In previous committee hearings, I have indicated that the price and volume assumptions rely very heavily on information provided by the companies to the department. The companies tell us that they regard that information as being commercial-in-confidence. In fact, so far as we know, they have not shared the information among themselves. They have independently, that is, one by one, shared the information with us, on condition that it remain commercial-in-confidence, that it be protected. We have been through this before. Of course, the assumptions on which the revenue estimates are based can be aggregated in ways, I suppose, but we have not provided that information publicly. It would be a matter for the Treasurer, in my view, whether that information were to be provided to this committee or indeed provided publicly.</p> <p>Senator BOB BROWN—I make that request.</p> <p>Senator Sherry—We will take it on notice.</p>	E27 24/02/2011	31/05/2011	23/06/2011
140	Treasury	Brown	Figures for other Minerals	<p>Senator BOB BROWN—Is Treasury able to provide the committee with the figures for other minerals being included in the proposed tax—uranium, gold, nickel and so on?</p> <p>Dr Henry—I do not believe we have done that work. I could be wrong. Again, I will take the question on notice and refer the question to the Treasurer.</p> <p>Senator BOB BROWN—Thank you</p>	E28 24/02/2011	24/05/2011	23/06/2011
141	Treasury	Cormann	Revenue Estimates	<p>Senator CORMANN—That is okay. That suits me fine. Dr Henry, you made the point that these revenue estimates are extremely sensitive to assumptions. Of course that has been a matter of discussion for some time.</p> <p>Given the revenue estimates are so sensitive, surely that makes the transparency of the assumptions used even more important. Why can the state government in Western Australia, which also collects revenue that is sensitive to changes and those assumptions, publish those assumptions openly and transparently in their budget papers while the Commonwealth government is not in a position to be equally open and transparent?</p> <p>Dr Henry—That is properly a question to the Treasurer rather than me, I think.</p> <p>Senator CORMANN—I take it that you would rather not answer.</p> <p>Senator Sherry—I will take it on notice.</p>	E29 24/02/2011	14/04/2011	12/05/2011
142	Treasury	Cormann	Flood Tax	<p>Senator CORMANN—Just going back to the flood tax, were you instructed by government to provide advice on a flood levy or was that something that was put forward by Treasury?</p> <p>Dr Henry—I do not know the answer to that question.</p>	E29-E30 24/02/2011	25/03/2011	12/05/2011

				<p>Senator CORMANN—Is there somebody coming forward? Perhaps they can assist us?</p> <p>Mr Wilcock—I have to confess that I was not in the country at the time that the Queensland floods took place and therefore I do not have any personal knowledge of the exact sequence of events. We would have to take that on notice.</p> <p>Senator CORMANN—Is there somebody in Treasury who knows when the proposition to increase the income tax for the purpose of the flood levy was first raised?</p> <p>Dr Henry—I doubt that there is in this room.</p> <p>Mr Wilcock—We would need to take that on notice.</p> <p>Senator CORMANN—I just assumed that Treasury would have been quite central to that discussion—or is that a wrong assumption?</p> <p>Mr Wilcock—As I said, I think we would need to take on notice the issue specifically. It is generally the case that the government recognised that it would have some funding requirements arising from the floods in Queensland.</p> <p>Senator CORMANN—Mr Wilcock, you were out of the country. Dr Henry is not really clear about it. Was Treasury involved at all in the decision to fund part of the reconstruction package through a flood tax?</p> <p>Dr Henry—I think I can answer that question. I know we were involved, of course, because we were certainly advising government on it. So I can confirm that we were involved.</p> <p>Senator CORMANN—When did you first provide advice?</p> <p>Dr Henry—That I do not know.</p> <p>Senator CORMANN—You do not know whether it was initiated by Treasury or whether it was initiated by the government?</p> <p>Dr Henry—No. Of course that is sometimes a rather difficult thing to find out after the event.</p> <p>Senator CORMANN—It gets lost in the backwards and forwards of—</p> <p>Dr Henry—No, it is not really that. It is that, in my experience over a long period of time now, in advising governments quite often various options are kicked around, perhaps, in discussion and it is often very difficult to recall after the event whether the first person to raise a particular option was sitting on one side of the table or on the other side of the table. That is all. That is all I am saying.</p> <p>Senator CORMANN—Has Treasury conducted any modelling of the impact of the flood tax on the economy?</p> <p>Dr Henry—The impact of the flood tax, the flood levy, on the economy? I am not aware of any such work having been undertaken. I will take that on notice too. I do not want to mislead you, but I doubt it.</p>			
143	Treasury	Cormann	Flood Damage Bill	<p>Senator CORMANN—When looking at the funding obligations of the Commonwealth or their share of the recent flood damage bill in Queensland and through, mostly, eastern Australia, there are three options, as I understand it: defer the surplus and add to the government's current expenditure, hence the deficit; cut existing programs and reallocate that funding towards the damage bill; or impose a new tax to raise revenue to cover the</p>	E31 24/02/2011	29/04/2011	12/05/2011

				<p>damage bill. What is the impact of each of those three main options, according to Treasury?</p> <p>Dr Henry—The principal impact is, of course, distribution. All of these are simply answering the question, ‘Who is going to pay?’ With respect to adding to the deficit and adding to borrowings, if that were the preferred approach, what that is saying is that, rather than today’s taxpayers paying, future taxpayers will pay. It is a distributional issue.</p> <p>With respect to financing the flood-related expenditures through cutting other government spending, then the view is being taken that, rather than taxpayers per se paying, it is recipients of various forms of government expenditure who will be denied benefits—yes, largely denied benefits—who will pay. With respect to a flood levy, the decision is, of course, that current taxpayers pay. It is essentially a distributional question.</p> <p>Senator CORMANN—Given the current state of the economy, why was the mix of a levy and some spending cuts chosen?</p> <p>Dr Henry—That is a policy question. It is properly one for the Treasurer to answer.</p> <p>Senator CORMANN—Maybe you could take it on notice.</p> <p>Senator Sherry—I will take it on notice.</p>			
144	Treasury	Boswell	MRRT Threshold	<p>Senator BOSWELL—Can you explain the operation of the MRRT threshold—specifically how the mechanism will work with those companies which are operating between the \$50 million and the \$100 million bracket?</p> <p>Mr McCullough—No final decision has been taken by government about exactly how the threshold would work. Again, the policy transition group has made some recommendations. I can refer you to a particular page; I might even be able to give you a copy of the report. The government has not had an opportunity to consider that yet or announce precisely how that is going to work.</p> <p>Senator BOSWELL—In relation to the method of managing deductions for mining companies’ MRRT liability, can you explain the operation of the safe harbour? What are the methods available to go there?</p> <p>Mr McCullough—Again, it is just a little bit early for some of those details to be fleshed out. We are still well before a process of any legislation having been finalised.</p> <p>Senator BOSWELL—When is this legislation due to be put in place?</p> <p>Mr McCullough—I think the Treasurer has made a commitment to an exposure draft around May. I think the plan then is to have further consultation on the exposure draft with a view towards introduction before the end of this year—so the end of 2011.</p> <p>Senator BOSWELL—If the exposure draft is due in May, surely there must be some answers to the questions that I have proposed. You cannot just put out an exposure draft missing all those inquiries.</p> <p>Mr McCullough—I am not suggesting that it will necessarily be missing all of that detail. Obviously, there is an iterative process. The high-level policy issues were settled with the heads of agreement in the middle of last year. Then the policy transition group</p>	E35 24/02/2011	7/04/2011	12/05/2011

				<p>made 90-odd recommendations on matters of what I would call lower level policy detail. The government is yet to announce its position on those. Once that happens, then, the way these things develop, a range of technical, compliance and administrative issues need to be worked through in the finalisation of the legislation. Then there is usually a process where the tax office makes known its position on things to do with compliance, administration and interpretation.</p> <p>Senator BOSWELL—You said earlier that you would give me some information. What information can you give me?</p> <p>Mr McCullough—It is not in a very digestible form. There is, for example, the policy transition group’s report, which covers those 94 recommendations. I do not think we have time to go through each one of those in detail.</p> <p>Senator BOSWELL—No, I do not expect you to.</p> <p>Mr McCullough—I think we have a spare copy of the report we can give you. It is publicly available. It is on the website, if we do not have a hard copy</p>			
145	ASIC	Cormann	Bank Fees	<p>Senator CORMANN—It may assist you if I clarify the question. Obviously my interest is in the context of fees imposed by banks on residential mortgage holders and residential bank customers. How often, if ever— and I would be interested if you ever have taken action—have you taken action against any bank for imposing unconscionable fees or unfair contract terms on residential bank customers?</p> <p>Mr D’ALOISIO—I cannot answer that this morning. From memory, I do not think so, but I would have to check that for you.</p>	E5 24/02/2011	16/08/2011	
146	ASIC	Cormann	Chi-X	<p>Senator CORMANN—Which takes me to my final issue. Chi-X lodged an application in, I think, April 2008 for a market licence. There were two others around about that time who lodged licence applications but who I understand are no longer actively pursuing them. It has been nearly three years. Is that an appropriate sort of time frame to process that sort of licence?</p> <p>Mr D’ALOISIO—It does sound like a long time.</p> <p>Senator CORMANN—It is a long time.</p> <p>Ms GIBSON—I do not think they had lodged at that time. They indicated that they lodged an indication to generate discussion about whether there should be competition. The process from then has seen a lot of discussion with government about the suitability of competition. At the time the transfer of market supervision to ASIC was announced, the possibility of competition was foreshadowed. I think it was in May last year that we started an active consultation program on what the appropriate rules should be for a competitive market of this type. We finished our formal consultation with external parties in January of this year and we are moving towards those rules. There will be some transition point there, and one of the things that we are consulting on is the amount of time that the markets themselves, both the ASX and Chi-X or others, would need to work out how they work together to run a dual market and how the market participants would come into each of those markets given our rules.</p>	E8 24/02/2011		

				<p>Mr D'ALOISIO—This is a matter that is driven by government policy. The first key thing in relation to the Chi-X entry was whether or not the government, as a matter of principle, would admit additional operators.</p> <p>Once the government made that in-principle decision, the next stage was the transfer of the supervision because of the potential conflict. The third stage is the government's consideration of whether it will grant those licences. A precondition to those licences is that we have market rules. ASIC has moved to develop those market rules. We said to the market that we would move on those rules after the transfer of supervision had been completed. To do otherwise could have endangered the market by having too much change in the market at one time. We have moved quickly to do that consultation over the last few months. That is in the process of being finished. We will advise the market of the outcome of that and we will shortly issue a final timetable for the government, if it is so minded, to then grant the licence.</p> <p>Senator CORMANN—There seems to be some discrepancy between the time lines that I have been advised of and the way that you have described it. Maybe, on notice, you can review those—</p> <p>Mr D'ALOISIO—I think we can take you through all the steps.</p> <p>Senator CORMANN—That would be really good because my understanding was that there was a formal licence application lodged with ASIC in April 2008 and that the government, Minister Bowen, announced in principle approval of the Chi-X Australia market licence application on 31 March 2010. So that was about a year ago, and you are essentially still in the process of—</p> <p>Mr D'ALOISIO—It has not stood still in that year. In the year since that in-principle decision, we have been getting the ASX supervision across. That happened on 1 August 2010, and we said at the time that that needed to be a precondition to going into the market with the new rules. As soon as the transfer occurred, at the end of last year we moved on the consultation paper in terms of the rules needed for competition to operate. As I said, that process is now at the final stages, and we will be in a position to issue a timetable. But there still needs to be a final decision from government on those licence applications.</p>			
147							
148	ATO	Xenophon	ATO Change Program	<p>Senator XENOPHON—Minister, the Inspector-General of Taxation was referred by you on 19 April for a comprehensive review of the implementation of the ATO's Change Program. I understand that report was delivered to government on 3 December and handed to the Assistant Treasurer on 5 December. The government has 25 sitting days to table that report. How close are the parliament and the Australian public to seeing that report of the inspector-general?</p> <p>Senator Sherry—Firstly, it was referred by me when I was Assistant Treasurer. Obviously, I have had a change of portfolio responsibilities, so my successor, Minister Shorten, now has responsibility. I will have to take it on notice. I will make best</p>	E36-E37 24/02/2011	14/04/2011	12/05/2011

				endeavours over the next couple of hours to see whether I can be more precise than that. Senator XENOPHON —I would appreciate that.			
149	ATO	Xenophon	ATO Staffing Levels	Senator XENOPHON —If the response could be given today that would be useful. Mr D’Ascenzo, these are things you may wish to take on notice: how many staff, including SES staff, both ongoing and nonongoing, currently work at the ATO, including the classifications by number and percentage? How would that compare to the 2009 year and the 2010 year? I appreciate that you might want to take that on notice. Mr D’Ascenzo —That information would be in our annual report, but we can make it available. Senator XENOPHON —Yes, but specifics in terms of the classifications and percentages. Also, what are the projections in terms of staff levels and classifications for ongoing and non-ongoing staff and SES for the current tax year?	E37 24/02/2011	13/04/2011	12/05/2011
150	ATO	Xenophon	Delayed Returns	Senator XENOPHON —In terms of the amount that was paid by the ATO to taxpayers in interest for delayed returns, that is higher this year, isn’t it, than it was in previous years? Is that the case? Mr D’Ascenzo —I think that is the case. I think there are two large payments for two large companies in relation to the outcome of court decisions. You have to see interest in the light of adjustments to previous assessments through court processes. Senator XENOPHON —Is it just that, or are more taxpayers being paid for delays? Mr D’Ascenzo —We have further details there. Mr Butler might be able to give you more details. That has influenced the greater number. That is the significant material change. Senator XENOPHON —Again, Mr Butler, I am happy for that to be taken on notice, unless you want to elaborate on it now. Mr Butler —I will take it on notice, but generally speaking there were certainly more cases where taxpayers received interest because of the delays this time last year in processing returns.	E37 24/02/2011	13/04/2011	12/05/2011
151	ATO	Xenophon	Delayed Returns	Senator XENOPHON —Because time is limited, I do not want to go to things that are available on the website. The website indicates that you have details of finalised days—70. With respect to returns sent electronically, you have details finalised at 29-plus days. Could you indicate on notice how many delayed returns there were from 30 to 60 days, 61 to 90 days and in 30-day increments up until six months? Because that would be an issue. Hopefully there are not very many after 90 days. Those figures only go to 29-plus days, don’t they? Mr Butler —That is correct. Senator XENOPHON —They do not tell us about longer delays. Mr Butler —With the longer delays, there would be particular reasons why returns were delayed. In those returns would be returns we have stopped because we think there are	E39 24/02/2011	13/04/2011	12/05/2011

				<p>fraudulent claims. Identity theft cases would be in those ones which are more than 30 days old. We give that break up.</p> <p>Senator XENOPHON—To be fair to the ATO, you would be able to do a comparison of before the Siebel system came on line?</p> <p>Mr Butler—Siebel was the case management system before the new system was put in place.</p> <p>Senator XENOPHON—Okay, let us say the new system.</p> <p>Mr Butler—That certainly is the case. With this new system we report it differently. In the past, of those returns that finished in December, we used to report how many were completed within 14 days. Now we say, ‘Of those returns received in December, here is what has happened to all of them.’ It is more complete reporting.</p> <p>Senator XENOPHON—It would be good if you could provide those details on notice, particularly for those that blow out.</p>			
152	ATO	Xenophon	Manual Keying of tax returns	<p>Senator XENOPHON—There are some returns that you key manually; is that right?</p> <p>Mr Butler—Very few, but there are some.</p> <p>Senator XENOPHON—On notice, could you provide me with details of what percentage and number of tax returns were keyed manually for the 2009 and 2010 years and what do you envisage the level of any manual keying to be for this year?</p> <p>Mr Butler—I will take it on notice. I am not sure how far we can go back accurately for manual keying.</p> <p>Senator XENOPHON—I am just trying to get a sense of whether there is any difference in manual keying before the new system and post the new system. Presumably there would be less manual keying.</p> <p>Mr Butler—Manual keying is a very small part of the work. Returns go through a system. They come out for exceptional review items. We know there are fewer exceptional review items in the new system than in the old system. In the old system our staff could only action one at a time; now they can do three or four at a time. We can give you the information about that, if that is of interest to you</p>	E39 24/02/2011	13/04/2011	12/05/2011
153	ATO	Xenophon	Error Codes	<p>Senator XENOPHON—I want to go to the issue of error codes. We had a long discussion a couple estimates hearings ago about error codes. You indicated there were a number of error codes, or systems errors.</p> <p>For this year are there any error codes or system errors that are stopping or delaying the electronic processing of tax returns?</p> <p>Mr Butler—There are always error codes in the system. Even the national taxpayer system was 30 years old. There were error codes. So there are, yes.</p> <p>Senator XENOPHON—Could you supply some more details about the extent of that? How many hardship cases have there been in the 2009 year compared to the 2010 year, and how many are you expecting this year?</p> <p>Mr Butler—I will take that on notice.</p>	E39 24/02/2011	13/04/2011	12/05/2011

154	ATO	Xenophon	Compensation Claims	<p>Senator XENOPHON—I will put my question about compensation claims lodged for delays on notice. I do not know whether that is a different category. Perhaps Ms Granger can assist on that. Is there is a distinct category of compensation claims being lodged with regard to delays in returns being processed? I mean in terms of consequential loss. There is the interest payment. That is one aspect, and that is a straightforward interest payment. But there is another category, isn't there, for compensation for any consequential or other losses?</p> <p>Ms Granger—Certainly, as some of the claims included that ground, you have to specifically have a different process for that.</p> <p>Senator XENOPHON—Sure.</p> <p>Ms Granger—We had 104 claims for compensation.</p> <p>Senator XENOPHON—Was that for 2010?</p> <p>Ms Granger—Those statistics are as at 17 January this year.</p> <p>Senator XENOPHON—For the current year?</p> <p>Ms Granger—Yes.</p> <p>Mr D'Ascenzo—Those are the total number of complaints we have had.</p> <p>Senator XENOPHON—I am sorry, compensation claims.</p> <p>Mr D'Ascenzo—Compensation claims.</p> <p>Senator XENOPHON—Can you provide details of how that compares with the 2009 and 2010 years, given there is that specific category of compensation as distinct from the interest payments.</p> <p>Mr Butler—We may not be able to make that comparison. These were compensation claims in respect of a new system. Of course, we did not have new systems in the earlier years. We can certainly give you the detail about the number of claims made for compensation from taxpayers and tax agents.</p> <p>Mr D'Ascenzo—We could probably give you the details of any that we have actioned as well. I do not think we have actioned any in a way that the claim has been substantiated.</p>	E40 24/02/2011	13/04/2011	12/05/2011
155	ATO	Xenophon	Change Program	<p>Senator XENOPHON—Obviously, just because you make a claim it does not mean it is a valid claim, I understand that. I have a general question about the issue of staff, Mr D'Ascenzo. I know there will be some answers on notice. Is it fair to say that you have to take on more staff to cope with the change program or the new system because of a number of technical glitches or issues with the implementation of the system?</p> <p>Mr D'Ascenzo—Maybe Mr Butler can answer that more specifically. The system is working very well from our perspective. In fact, we think it has been a great achievement for this country to be able to have a new system that manages flows of processes that go to the order of three to four million a month at its peak times. Most countries in the world aspire to that. We have had a number of independent reports that have indicated how well the implementation has gone, given the complexity and size.</p> <p>Mr Butler—We do not have additional staff. We have additional staff during tax time, as we always do, because it is our busiest time of the year. We can take it on notice and give you comparisons over the past three years, for example, of tax time staffing full-</p>	E40-E41	13/04/2011	12/05/2011

				time equivalent numbers, if that is of interest to you.			
156	Treasury	Pratt	R&D Tax Bill	<p>Senator PRATT—I wish to go to the R&D tax bill in the Senate. Does anyone have information on the implications of those amendments?</p> <p>Mr Antioch—Senator, the bill that has come to the Senate from the House last year does not contain any further amendments. I am not entirely sure—</p> <p>Senator PRATT—As I understand it, there have been some amendments moved in the Senate by opposition parties. I am looking for an analysis of those. You may not have that information. If I am correct in my question then perhaps you could take that analysis on notice.</p> <p>Mr Antioch—We could. There were some amendments mooted by the opposition the last time the bill came to the Senate. It is not clear whether those are still the amendments that the opposition intends to move.</p>	E44 24/02/2011	28/03/2011	12/05/2011
157	Treasury	Ludlam	Increase in House Prices	<p>Senator LUDLAM—The long-run increase in house prices is appreciating at about nine per cent a year.</p> <p>The last time a body—I think, apart from the review that you undertook—looked at the combined total of capital gains tax exemptions, land tax exemptions and negative gearing, it was about \$50 billion a year. The Commonwealth spends about \$1 billion a year on housing affordability initiatives, which virtually did not exist under the previous government. I feel as though there is something very difficult to reconcile. As far as your review is concerned, what is the state of your thinking about how to untangle these split incentives?</p> <p>Dr Henry—There is quite a lot of material in the review on this topic. Broadly, that is on land tax and the way that land tax operates. There are two principal issues associated with land tax that are relevant to the question that you have raised. The first is that land tax obviously has numerous exemptions. So the own home is exempt from land tax, primary production land is exempt from land tax and so on. But the land that is subject to land tax, putting aside commercial real estate, is rental property. But in respect of rental property, there is a substantial threshold that is available on an individual basis in most jurisdictions—in all jurisdictions, I think—but any owner of rental property has to aggregate all of their land and just has access to one threshold.</p> <p>An interesting consequence of that is that, internationally, the proportion of rental housing owned by individuals is higher in Australia than anywhere else in the world. It is an obvious consequence of the aggregation of land holdings and the application of a single threshold per individual or per taxable entity. The states are pretty well aware of this, but there is an obvious case there for considering a reform of land tax for that reason.</p> <p>As far as the other aspects are concerned, in the review we presented a case for having a more equal taxation of various forms of saving. An individual can save, obviously, by putting their money in a bank account. They can save in superannuation, as we discussed</p>	E46-E47	13/10/2011	

				<p>earlier. They can also save by buying shares or by investing in rental property, as we have discussed. We argue that there was a case for providing preferential tax treatment for saving, and that case is probably nowhere stronger than in long-term saving, post-retirement saving—that is, superannuation. So that is a clear case, we thought, for having concessional taxation for saving.</p> <p>With respect to the other categories of saving, the various categories, we thought there was also a case for having preferential tax treatment of saving as against, say, labour income; but there was an equally strong case for flattening out the taxation treatment as between those various forms of saving. So we propose in the review a rule which says that a percentage—less than 100 per cent—of income from saving, whatever the form of saving is, be included in taxable income; that is, there be, essentially, a uniform discount across the various forms.</p> <p>In respect of income from rental housing, what this would mean, for example—and I think from memory it was a 60 per cent inclusion rule—is that 60 per cent of rental income would be included as taxable income, but on the other hand you would only be allowed 60 per cent of your deductions, and that includes interest deductions. So for those who are engaged in negative gearing—that is where, by definition, the interest deduction exceeds the rental income—instead of getting deduction for the full amount of the excess, they would get a deduction for 60 per cent of the amount of the excess. That would go some way to addressing the tax distortion that you have referred to.</p> <p>There are ways of flattening out the tax treatment of saving to address the distortions that you are referring to, or at least partially address the distortions you are referring to but which overall do not reduce the concessional nature of the tax treatment of saving. Indeed, it would be possible to construct these things in a way where it was actually revenue negative—that there was an enhanced incentive for saving overall but a more—I hesitate to use the word ‘neutral’ but this is how we talk about it internally—neutral taxation regime for saving.</p> <p>Senator LUDLAM—What about tax incentives available for properties that are kept vacant—speculative vacancies?</p> <p>Dr Henry—I think the two instruments that are available there for governments are capital gains tax and land tax, really. Capital gains tax and land tax are the two obvious instruments that are available.</p> <p>Senator LUDLAM—I will place my last question on notice. Could you just tell us what specific resources, either FT or work units, within Treasury or the tax office are currently working on housing affordability and where those folk are located?</p> <p>Dr Henry—Sure. I will take that question on notice.</p>			
158	Treasury	Bushby	Superannuation Contributions	<p>Senator BUSHBY—I have just one final question on the excess superannuation contributions. How much money has been raised from that change? It may be Revenue that can give me that answer or the ATO.</p> <p>Mr D’Ascenzo—Mr Olesen might address that question.</p>	E47 24/02/2011	30/03/2011	12/05/2011

				<p>Mr Olesen—As the commissioner mentioned in an earlier answer, we have raised about 15,000 assessments for excess contributions tax. I think collections are in the order of \$100 million to date. I do not have the precise figure here.</p> <p>Senator BUSHBY—Is that consistent with the projections of the amount that was going to be raised by this change of revenue?</p> <p>Mr Olesen—I would have to take that on notice.</p>			
159	ABS	Ludlam	2011 Census Residential Vacancy	<p>Senator LUDLAM—Thank you. I think the chair is correct in that it is a policy question. Can I just grab the minister’s attention for a split second. Can I put it to you, Minister, recognising that we have probably missed the boat for the 2011 census, that we do not appear to have an accurate idea at any given time of the degree of residential vacancy in Australian communities—that is, places where people could be living and, for whatever the reason might be, there is no-one there at the moment. Is this something that the government would consider might be a very handy indicator for us to have?</p> <p>Senator Sherry—I do not know. I suppose it would be useful. You always have to weigh up the costs involved in collecting it and the challenges that have been mentioned. You might be able to do something in cooperation with local government because of their property based systems. I am happy to raise it with the Assistant Treasurer and see if something can be done.</p> <p>Senator LUDLAM—I am raising it for non-trivial reasons. The last two census outcomes on unoccupied dwellings on the night of the census averages around seven per cent or eight per cent in the big metro areas. That is a reasonably constant figure from 2000 to 2006. We know there are structural issues in our tax system that actually provide perverse incentives for landlords to keep properties vacant to squeeze supply. So I think we do have quite legitimate public policy reasons for wanting to know what the actual vacancy rate is.</p> <p>Senator Sherry—I accept that you are not wanting to be trivial. As to the reasons you have identified, there may be other issues, so I am happy to raise it with the Assistant Treasurer.</p> <p>Senator LUDLAM—Thank you very much.</p>	E53 24/02/2011	24/05/2011	23/06/2011
160	ABS	Ryan	Collect on Victims of Crime	<p>Senator RYAN—I want to turn to the data you collect on victims of crime. I understand you currently only collect data against individuals and households.</p> <p>Mr Sutton—That is correct.</p> <p>Senator RYAN—Have you considered collection of data around business victims of crime, whether that be white-collar crime or shoplifting? I am not aware of whether that has been done in the past.</p> <p>Mr Sutton—I would have to come back to you on that. I am not sure how much work we have done on the business side of things. It is something we would be able to come back to you on and give you an idea—</p> <p>Mr Harper—I am not aware of anything.</p> <p>Mr Sutton—I am not aware of anything but rather than say we do not have something</p>	E54-E55	24/05/2011	23/06/2011

				<p>on it I would rather have a look and come back to you.</p> <p>Senator RYAN—That would be great. And if you did have something I would appreciate a direction to it, because that way I can chase it up.</p> <p>Mr Sutton—Sure.</p> <p>Senator RYAN—Do you know whether the ABS has access to data from the states regarding crimes like shoplifting?</p> <p>Mr Sutton—Yes we do. The state police provide us with information on crime statistics.</p> <p>Senator RYAN—If it would be easy to collate that data with a new category of, say, crimes against business to add to the catalogue that has household crime and other crime, I would appreciate a reason as to why there might have been a decision to not do so—whether it is cost, data integrity issues or anything like that—so I can come back to you in May.</p> <p>Mr Sutton—Absolutely, Senator. We will come back to you on notice with some information around that whole area.</p> <p>Senator RYAN—Thank you.</p>			
161	ACCC	Ryan	Fuel Related Issues	<p>Senator RYAN—Can I turn quickly to fuel related issues. I thought I would do some other things before we turned to fuel. I understand that the Fuel Consultative Committee had its inaugural meeting in April last year. Do you have handy or can you take on notice the organisations or people that still take a place in those meetings?</p> <p>Mr Samuel—Mr Pearson, do you have that detail?</p> <p>Mr Pearson—No, we will take that on notice.</p>	E56 24/02/2011	30/03/2011	12/05/2011
162	ACCC	Ryan	Fuel Consultative Committee	<p>Senator RYAN—Is it possible to also provide me with an up-to-date list of who is on the committee and any changes that have taken place in the membership of that committee since 30 April?</p> <p>Mr Pearson—That is no problem at all. We actually went to senior people and asked the most senior people from the representative petrol companies and from organisations such as the convenience store association, so they have all been attending. I just do not have the exact names with me right now.</p> <p>Senator RYAN—Can you also provide me with how many times it has met? Also, are there minutes or outcomes of the meeting that are publicly available? If so, are they produced by the ACCC?</p> <p>Mr Pearson—There are some internal discussions, but one of the things that we attempted to do in bringing these people together was to try to get some discussion between basically supply and demand lobbyists, or the lobby groups representing groups, and ourselves. I would have to take that on notice. At this point, they are not public at this stage.</p>	E56 24/02/2011	30/03/2011	12/05/2011
163	ACCC	Ryan	Mediators under the Franchising Code of	<p>Senator RYAN—Could I ask you to take on notice whether you have received any complaints in relation to breaches of the dispute resolution process under the various codes in operation. I would be happy for you to take that on notice.</p>	E57 24/02/2011	30/03/2011	12/05/2011

			Conduct	Mr Ridgway—Yes.			
164	ACCC	Ryan	Telco scams	<p>Senator RYAN—...The final issue I want to raise—again following an issue from last estimates—is with respect to what has been referred to as the telco scam—or we might want to call it an alleged telco scam. How many complaints have you received up to now from small businesses caught up in this issue?</p> <p>Mr Gregson—I do not have those precise figures but it is fair to say that we are aware of a large number of small businesses that have either complained to the ACCC or come to our attention through private litigation, lobby groups or indeed referrals through members of parliament. Those numbers are certainly not insignificant.</p> <p>Senator RYAN—By ‘large’ and ‘not insignificant’, are we talking about a number closer to one with three zeroes, four zeroes or five zeroes behind it?</p> <p>Mr Gregson—Perhaps we will take that on notice but, to try to give you an idea, it is certainly well above the 10s.</p>	E58 24/02/2011	30/03/2011	12/05/2011
165	ACCC	Xenophon	Predatory Pricing	<p>Mr Samuel—The issue of predatory pricing is constantly on our radar screen. Mr Gregson could give you the exact numbers, but there are matters that are being examined at the moment that relate to the issue of predatory pricing.</p> <p>Senator XENOPHON—Can I have those notice?</p>	E63 24/02/2011	30/03/2011	12/05/2011
166	ACCC	Williams	Regulation of Credit Ratings	<p>Senator WILLIAMS—I have been informed that there is no watchdog, no-one overlooking that industry at all—and if they make mistakes, so what. I have a close friend who applied for a credit card many years ago and it was wrongly reported that this person had not paid a \$120 account. And now I am getting information that they are going to not only track whether you pay accounts or have blacklistings but also at what time you pay your accounts and how big the accounts are. There is talk now, I know, in the finance world about getting more information. I am just concerned that we do not have any watchdog over that industry whatsoever—that they are just a free dog, basically.</p> <p>Mr Samuel—I am not sure that there is no watchdog, Senator, but I would have to say to you that since the carve-out of financial services from the ACCC’s jurisdiction which followed on from the Wallis inquiry—I stand to be corrected but I think you will find this—that issue is entirely within the jurisdiction of ASIC.</p> <p>Senator WILLIAMS—I will put a question on notice to Mr D’Aloisio at ASIC and see if he can help me.</p> <p>Senator Sherry—Why don’t I take the question on notice for the minister and the parliamentary secretary?</p> <p>Senator WILLIAMS—That would be good, Minister.</p> <p>Senator Sherry—We will get some advice on this matter as to who oversees the area. It is an interesting point, Senator.</p>	E66 24/02/2011	8/07/2011	
167	APRA	Cameron	Sanhurst	Senator CAMERON— I have correspondence here from a constituent, Mr Henry di	E70-E71	25/03/2011	12/05/2011

			<p>Trustees</p> <p>Suvero, who has written to APRA asking them to investigate the Sandhurst Trustees. Is anyone aware of that?</p> <p>Mr Jones—Yes.</p> <p>Senator CAMERON—So I have got it right? It is just that there has been a transposition from ASIC to APRA in one of the notes that I have here. You are aware of that?</p> <p>Mr Jones—I am aware of complaints that we get from constituents, yes.</p> <p>Senator CAMERON—I am asking you about Mr di Suvero.</p> <p>Mr Jones—I could not speak specifically about his particular case.</p> <p>Senator CAMERON—Okay. Sandhurst Trustees is a subsidiary of Bendigo Bank—is that correct? Are you aware of that?</p> <p>Mr Chapman—Yes. I can confirm that they are.</p> <p>Senator CAMERON—If an investor has a problem with their trustees, who deals with that? Is it ASIC or APRA?</p> <p>Mr Jones—It would depend upon the circumstances. It may well be that their first course of action would be the Superannuation Complaints Tribunal. That would be another possibility. It would depend on the nature of the issue.</p> <p>Mr Chapman—Can I add to that. A trustee company could be doing three types of business. They could be doing traditional trustee business, banks and things like that, in which case it would probably be a state issue.</p> <p>They could be doing superannuation, in which case, as Mr Jones said, it could be a Superannuation Complaints Tribunal issue—it depends what the issue of the complaint is. It could be a managed investment, in which case it would be ASIC.</p> <p>Senator CAMERON—This is, I think, basically a managed investment.</p> <p>Mr Chapman—In that case, it would be an ASIC issue.</p> <p>Senator CAMERON—But, Mr Jones, you have seen the correspondence on this? Is it an APRA matter or an ASIC matter?</p> <p>Mr Jones—I have seen some correspondence regarding issues with regard to Sandhurst. At first sight they did not appear to be an APRA matter, but I cannot say with certainty that we are talking about the same matter.</p> <p>I cannot say that I recall the name of the constituent.</p> <p>Senator CAMERON—Mr Di Suvero wrote to Ms Kathleen Maxwell.</p> <p>Mr Jones—Yes she is in APRA.</p> <p>Senator CAMERON—She is a senior manager of the APRA secretariat—is that correct?</p> <p>Mr Jones—That would be the likely person you would write to—correct.</p> <p>Senator CAMERON—In terms of the problem that has been raised, the allegations are of negligence and waste against Sandhurst and the receiver.</p> <p>Mr Jones—Against a superannuation trustee?</p> <p>Senator CAMERON—Against Sandhurst Trustees.</p> <p>Mr Jones—Perhaps it might be easier if we took the question on notice and then we can look at the specifics. It would be very difficult to give you a sound response on a</p>		
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				<p>particular criticism or complaint at this stage.</p> <p>Senator CAMERON—If you have that correspondence, can you keep me advised as to how that is moving through the bureaucracy within your organisation?</p> <p>Mr Jones—I would assume so, assuming that the initial correspondent gave us permission to do so.</p> <p>Senator CAMERON—I am sure I can get that permission. The first thing I would need to know is whether this is regulated under ASIC or APRA. The person has written to you and there are some 1,100 debenture holders in a company called LKM Capital. Are you aware of LKM Capital? The allegation that has been made in the correspondence is that Sandhurst Trustees—I am just trying to figure out whether this is your area or not, because it is complex and I accept that—failed to advise debenture holders of changed circumstances and, because of that failure, people continued to make investments not based on the material facts that were available.</p> <p>CHAIR—I think that, since we are short of time, if we could get APRA to take this on notice</p>			
168	APRA	Cormann	ARIA Conflict Interest Policy	<p>Senator CORMANN—Does ARIA have a conflict of interest policy?</p> <p>Mr Jones—I would imagine so. I cannot say that I have personally seen it.</p> <p>Senator CORMANN—I have been looking and I have not been able to find one. I would be interested on notice whether you are aware of a conflict of interest policy for trustees on the ARIA board of trustees.</p>	E73 24/02/2011	25/05/2011	23/06/2011
169	APRA	Bushby	RBA - Government Bonds	<p>Senator BUSHBY—Some around the table would suggest that the country is doing its best to solve that problem. But the issue is that there are not enough high-quality government bonds in Australia to be able to meet the liquidity requirements. But, if there was, the banks would have to put the money that they hold over to the Commonwealth in return for the assets. Why wouldn't the RBA actually accept that money and hold it instead of the government bonds, in which case there may be other benefits? I am just trying to work that through.</p> <p>Dr Laker—The banks could place money, if they wanted to, on deposit with the RBA and I think that would count as a high-quality, level 1 asset anyway. They would have a choice between that option and buying government paper.</p> <p>Mr Littrell—Can I follow up on that. In the work developing the RBA facility between us and the RBA, we did essentially look at whether the banks should just hold a big RBA cheque account. There are a number of technical problems with that which would make it preferable for banks to hold a spread of other securities instead of just having one big cheque account. If you want to ask the question on notice, we can explain that.</p> <p>Senator BUSHBY—I would be interested in that—strangely, yes, I would be.</p> <p>Mr Littrell—Put it on notice and we will—</p> <p>Senator BUSHBY—If you will accept that on notice.</p> <p>Senator Sherry—Yes.</p>	E75-E76 24/02/2011	14/04/2011	12/05/2011

170	Treasury	Bushby	GDP Growth	<p>Senator BUSHBY—Looking at your opening statement, Dr Gruen, I see you note that the effect of Cyclone Yasi will be to reduce real GDP growth by around half a per cent and that the resumption of economic activity will add about a quarter of a per cent the following year, 2011-12, but that in the March quarter of 2011 it will have the largest negative impact and could actually lead to GDP being flat that quarter or even negative. How much had you predicted GDP would rise in that quarter, prior to Yasi occurring?</p> <p>Dr Gruen—I am not sure that we put those numbers into the public domain. We can take that on notice, but I do not think we give out our quarterly profile of estimates of GDP growth. That is a longstanding tradition.</p> <p>Senator BUSHBY—Is it? Okay. Looking at it the other way—and I am not deliberately doing that—what I am really interested in is the impact you think Yasi will have in that quarter. How bad does it get in that most severe quarter in terms of reducing economic activity?</p>	E82 24/02/2011	16/03/2011	22/03/2011
171	Treasury	Bushby	World Economic Outlook	<p>Senator BUSHBY—I am not upset that Senator Cormann is adding at times, and I think he has some very good questions, but I do have some things to ask. Dr Gruen, I have asked you a couple of times about the chart on page 2-23 of Budget Paper No. 1. We were talking about what happened in the United States. You had that graph showing the impact on various countries that had stimulus packages.</p> <p>Dr Gruen—Yes.</p> <p>Senator BUSHBY—You made the point, I think this estimates and the estimates before, that it is not overly useful—that it was just an interesting thing to graph and show. Nonetheless it created an impression at the time that was quite politically useful for the government. Last estimates I asked you whether you were going to continue mapping the impact on those countries as their stimulus packages became contractionary and as they started having to address their government debt. Just as it was interesting as a snapshot at that time to see that those nations that employed a stimulus package did quite well, according to your graph—which did have some issues that were pointed out in terms of some countries that were missed off, but you have addressed that since—it would be interesting to see how that plays out over time in terms of how each of those countries deals with the contractionary phase as that winds down and also then how they deal with how they funded their stimulus packages.</p> <p>Dr Gruen—We have not done this but the IMF has done some very careful work on what the implications are for economic growth of fiscal contractions. I can refer you to that work but—</p> <p>Senator BUSHBY—Does it also look at how those countries have had to deal with how they financed the stimulus packages?</p> <p>Dr Gruen—It looks at whether you get a different effect depending on the stock of debt as a share of GDP that you start with. So for highly indebted countries it gives somewhat different results than for countries that are not highly indebted.</p> <p>Senator BUSHBY—And that is obviously very important for future planning in terms of how you would advise governments to deal with future shocks.</p>	E86-E87 24/02/2011	11/03/2011	22/03/2011

				<p>Dr Gruen—It is very important for a range of countries; that is right. But it does come to the conclusion that cutting the fiscal deficit is in almost all circumstances contractionary for growth.</p> <p>Senator BUSHBY—Could you provide that on notice?</p> <p>Dr Gruen—That paper?</p> <p>Senator BUSHBY—Yes, or any analysis of that that you might have done.</p> <p>Dr Gruen—That paper is actually a chapter from the <i>World economic outlook</i>.</p> <p>Senator BUSHBY—If you could provide a reference to it on notice, then, that would be good.</p> <p>Dr Gruen—We can.</p>			
172	Treasury	Cormann	International Action on Climate Change	<p>Senator CORMANN—Can you give us on notice, perhaps, then, the changes that have occurred in terms of the international developments, up and down, when you say that there are countries that are doing more than was expected compared to your modelling and countries that are doing less than you expected compared to your modelling? If it is not too difficult, could you put that in perspective in terms of the proportion of global emissions that those countries represent in terms of the up and down?</p> <p>Ms Quinn—I can certainly take that on notice. To give you an example, in the economic modelling we undertook, we did not have Brazil taking any action for a significant period of time and yet they have provided a pledge under the international arrangements to date. So there are many examples of countries that we had not taking action until significantly later who have currently taken pledges and are framing action. So I am happy to take that on notice and provide that information.</p>	E100 24/02/2011	17/06/2011	23/06/2011
173	Treasury	Cameron	CSIRO assessment relating to climate change	<p>Senator CAMERON—During the inquiry that you gave evidence to, which was the Senate Select Committee on Climate Policy back in June 2009, Dr Heinz Schandl of CSIRO told the committee that overall the number of jobs will increase over the next two decades. There will be 2.5 to 3.3 million new jobs and 230,000 to 340,000 of these new jobs are in those sectors which have been identified as high impact sectors with regard to resource use, energy use and emissions. Is that CSIRO assessment consistent with Treasury's assessment?</p> <p>Ms Quinn—I am not familiar with the details that you have articulated. I would be happy to take that question on notice and provide an assessment.</p>	E103 24/02/2011	23/08/2011	
174	Treasury	Cameron	Climate change modelling outside of Treasury	<p>Senator CAMERON—Okay. In terms of the overall economy, have you done any analysis that can demonstrate the benefit of a market mechanism against this direct action mechanism—that is, government just taking money out of the budget and handing money over for projects to the polluters and saying, 'Do your best?' Have you done any analysis on that?</p> <p>Ms Quinn—We have not undertaken any economic modelling evaluating those two alternative schemes at this moment.</p> <p>Senator CAMERON—Do you know if there is any modelling outside of Treasury?</p>	E103 24/02/20011	23/08/2011	

				<p>Ms Quinn—There has been some discussion about alternative schemes, as I mentioned earlier. There are other organisations that have reviewed the competing schemes. The OECD has done an analysis of some schemes as well—the different types of regulatory versus market based mechanisms—and they have concluded that market based mechanisms are a more efficient way to reduce abatement. I am happy to take it on notice and provide some of those reports for your consideration.</p>			
175	Treasury	Cameron	Report on the shadow price of carbon	<p>Senator CAMERON—You did say that it was underlying carbon prices in other countries?</p> <p>Ms Quinn—I was referring to the Vivid Economics and Climate Institute report <i>Climate Change</i> that was looking at the shadow price of carbon, the implicit price of carbon in the electricity generation sector in other countries.</p> <p>Senator CAMERON—Do you have the figures there?</p> <p>Ms Quinn—I do.</p> <p>Senator CAMERON—Are they on the record?</p> <p>Ms Quinn—Yes, the report is published. I read out some of them earlier but I can certainly provide the information on notice.</p> <p>Senator CAMERON—Yes, I would like that, thank you.</p>	E111 24/02/2011	14/06/2011	23/06/2011
176	Treasury	Cormann	State Minerals Royalties	<p>Senator CORMANN—You never know; that is right. But there is a serious question here, and tell me if you can assist me. We have a proposal for a new tax. The original proposal was for it to replace state and territory royalties, but the current proposal is for there to be credit arrangements. The federal government is concerned that state and territory governments might increase royalties into the future, because that will undermine the revenue base from the Commonwealth's point of view. As far as I am aware, unless you tell me otherwise, so far there have not been any formal government-to-government discussions between the federal, state and territory governments about the implications of all of that for state and territory governments. When are these discussions proposed to start between the federal, state and territory governments about the implications for them of your expectation that they will not increase royalties into the future so as to not undermine you revenue base?</p> <p>Mr Ray—I see where you are going. I cannot answer that off the top of my head because I am not privy to every conversation that goes on between governments. Maybe I can take it on notice to see what I can provide.</p> <p>Senator CORMANN—If you are going to take it on notice, I am also interested to know whether any state or territory government has indeed given a commitment to the Commonwealth not to increase royalties on iron ore or coal into the future, and whether, in your assessment, the federal government has the constitutional capacity—which I do not believe they do but you might have a different view—to prevent the states and territories from increasing royalties in the future against their will.</p> <p>Mr Ray—That is a constitutional law question, which we are not expert on.</p> <p>Senator CORMANN—But in terms of the fiscal impact of the tax I think it is highly</p>	E117 24/02/2011	31/05/2011	23/06/2011

				<p>relevant, and I suspect that you would seek advice on these sorts of things. This article is quoting extensively the Prime Minister and the Treasurer about wanting to prevent states and territories from increasing royalties into the future. I would like to know whether, in your judgment or on the basis of advice that you may have obtained, that is actually a constitutional possibility. Take it on notice and see what you can do. As I said, it is quite frustrating to have raised this exact point with—</p> <p>Mr Ray—This particular issue is one actually that should go to my colleagues in the Revenue Group, but I will take it on notice and see what they can provide.</p> <p>Senator CORMANN—Thank you very much. I have waited all day for this and now I get that.</p>			
177	Treasury	Pratt	Women's workforce participation	<p>Senator PRATT—Treasury has done some work in recent years in the form of working papers on labour supply, particularly as it relates to women. There is some analysis around childcare costs and access to child care. You had one entitled <i>The added worker effect and the discouraged worker effect for married women in Australia</i>. I am not asking you about the specific details of those papers. My question goes to the productivity trends. Clearly, as a nation we have a skills shortage. I am interested in the department's analysis of the kind of work that might need to be done into the future in relation to women's workforce participation.</p> <p>Ms Furnell—The particular work to which you are referring was actually done by some colleagues—I understand in the Revenue Group—for participation modelling. There is obviously quite detailed modelling looking at some of that. The general question about what influences participation decisions for women is obviously quite a broad question and is the sort of area for which there has been quite a lot of research done from time to time. There are issues such as family commitments, the government's introduction of the Paid Parental Leave scheme—which is obviously a step looking at attachment to the workforce—and other issues around child care and the costs of child care. I understand that research has obviously picked up in that space.</p> <p>The flexibility of the labour market is obviously another key area: the ability to vary hours of work and come to those arrangements with employers. That sort of flexibility at the enterprise level more broadly is also influential in women's choice. It is not only women; it is obviously parents' choices in how they make their own arrangements between care and their own work commitments. There are a range of influences. A broader influence, not just for women, is clearly issues around skills and education and attainment standards. I recall some work looking at correlations between education levels and participation rates, and that was done by another area of Treasury. Over time, as successive generations of Australians have gained on average greater levels of skills and educational attainment, you see better outcomes for them in the labour market; their ability and choices to participate in the labour market in general are enhanced. There are a range of influences and that is obviously just some.</p> <p>Senator PRATT—That is the kind of answer I was hoping for and expecting. I am interested to know whether there is a program of work in that area currently taking place,</p>	E117-E118 24/02/2011	7/04/2011	12/05/2011

				<p>given the labour constraints that we are currently facing as a nation? Ms Furnell—I am not sure I can really comment in any detail. Senator PRATT—I will put that on notice. That is fine, thank you.</p>			
178	Treasury	Bushby	Review of the Conservative Bias Allowance	<p>Senator BUSHBY—I have actually got the relevant sections here but I will ask some more questions and then I will come back to you if I can find the point. Certainly the evidence was that there were regular reviews now as opposed to what was entirely ad hoc up until that point. Does Treasury participate in those reviews? Mr Ray—We did in 2009-10, yes. Senator BUSHBY—Are you able to tell me the dates of when that review started? Mr Ray—Not off the top of my head, but I am happy to take it on notice. As the minister said, the review has been tabled which probably had the date of the review on it. Senator BUSHBY—Would it have had the date when— Mr Ray—It may have had some information in it so I will take it on notice. Senator BUSHBY—I am interested in the date that Treasury was first advised that the review was about to commence and notified you that you could participate in that review. Senator Wong—I thought the evidence—and again I think it was in my portfolio estimates not these—was that government, both when you were in government and obviously in the last term, is advised by departments of the appropriateness of reconsidering the CBA. I am talking from my memory here, so I might be wrong. If I am wrong, we will correct it. Departments went away and did the review and the results of the review were then advised to the government. Senator BUSHBY—I have the quote here from Tuesday, 19 October: Mr Tune—Not so much in the way it operates, because we think that the way it operates is probably appropriate, the process itself, the mechanism. But we do do an annual review of the appropriateness of the percentages that apply under the conservative bias allowance. Senator FAULKNER—How long has that annual review— Mr Tune—The last couple of years, and we have done ad hoc reviews in the past as well, I should add. So I think my recollection was correct. Senator Wong—I am not sure what he was referring to in the first part of that answer, whether that is looking at it in terms of putting the budget together or the actual review process which produced the report such as the one I tabled. I thought the evidence was that, prior to that one, it had been a number of years since there had been one done. There are small ‘r’ reviews and capital ‘R’ reviews I suspect, but that is fine. Senator BUSHBY—I guess what I am talking about is the annual review of the adjustment rates that apply under the conservative bias allowance. Senator Faulkner goes on: Senator FAULKNER—You might let the committee know when the ad hoc reviews took place and when they became annual. They became annual relatively recently, I</p>	E113-E114 24/02/2011	01/06/2011	23/06/2011

			<p>understand. Mr Tune—In the 2009-10 budget onwards. Mr Tune—There have been two annual reviews. We have had two, we had the 2009-10 budget and then we did one in the lead up to the 2010-11 budget. Quite a bit of a discussion that took place at the hearing establishing that they have become annual. I am interested in knowing when that is done and particularly for the last one, the most recent one, when that process commenced and when Treasury first received advice that that was occurring and when, to your knowledge—and I know you have to take this on notice—the process wound up and Treasury’s involvement ceased? Mr Ray—This is not the 2009-10 budget, this is the 2010-11 budget? Senator BUSHBY—The 2010-11 budget, yes. Mr Ray—I think this might be one of those sorts of definitional things about what a review is. We, and our colleagues in Finance, tend to look at all the estimates each year. I think what Mr Tune was referring to is that we take a closer look each year at the conservative bias allowance ratios. I am happy to take it on notice but it is something that we do each year ahead of the budget, and our people work in consultation with Finance. Senator BUSHBY—Because there has been an adjustment since the election in the conservative bias allowance? Mr Ray—That is the standard. Senator Wong—That is standard. Mr Ray—That is the standard thing that has been done at MYEFO on a number of years. Senator BUSHBY—That presumably was done on the basis of a consideration of what those rates should be? Mr Ray—It was done on the consideration that it would be appropriate to do the standard drawdown. Senator BUSHBY—You looked at it to decide whether it was appropriate to do the standard drawdown and a decision was made to change that and revise it downward, is that right? Mr Ray—A decision was taken that the standard drawdown should be made at MYEFO, that is correct. Senator BUSHBY—But the rates that were applied through MYEFO were revised downward compared to what were in the May 2010 budget? Mr Ray—That is correct, and that happens every year. In recent times, that is what happened. Senator BUSHBY—As you get closer? Mr Ray—As you get closer. Senator BUSHBY—And you have a better understanding of what is going on? Mr Ray—We got closer and therefore our estimates are—</p>		
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179	Treasury	Bushby	Question on Notice from Supplementary Estimates - SBT 238	<p>Senator BUSHBY—I have no further questions on that. In answer to question on notice SBT 238 on debt financing, I asked some questions about the interest payments received and the interest payments that were paid out. I note that there are other financing costs here which you list as, ‘Other financing costs mainly comprises finance lease payments and certain public debt transactions that are regarded as financial transactions and not as interest.’ What I am interested is in 2008-09, they were \$1.8 billion but they were only \$0.8 billion in 2009-10. I was wondering why there was a greater than 100 per cent difference between the two years—over a billion dollars?</p> <p>Mr Ray—I think that is going to a level of detail for which we would have to go back and look at some very detailed spreads.</p> <p>Senator BUSHBY—It is a billion dollars.</p> <p>Mr Ray—That billion dollars is probably made up of a lot of small numbers and we would need to go back and check. But we are happy to take it on notice to see what more detailed information we can provide you.</p>	E115 24/02/2011	25/03/2011	12/05/2011
180	AOFM	Cormann	Issuing Bonds to Fund the NBN	<p>Senator CORMANN—Are you going to be involved in the context of issuing bonds to fund the NBN?</p> <p>Mr Nicholl—My understanding is that NBN will take a share of the infrastructure bonds that are issued.</p> <p>There is a gross amount of debt that will be issued and they will just take a share of that.</p> <p>Senator CORMANN—Do you have a figure around that?</p> <p>Mr Nicholl—No, I do not.</p> <p>Senator CORMANN—You do not have a figure with you or you do not have a figure at all?</p> <p>Mr Nicholl—It is in the MYEFO, as I understand. I do not have the figure with me, no.</p> <p>Senator CORMANN—Maybe your 2IC or 3IC might be able to assist us.</p> <p>Mr Parry—We might have to take it on notice, I think.</p> <p>Senator CORMANN—Okay.</p>	E119 24/02/2011	31/05/2011	23/06/2011
181	APRA	Bushby	Superannuation statistics and Stronger Super	The Cooper Review proposes that APRA should only develop superannuation performance data at an investment option level for MySuper products. This is inconsistent with APRA’s pre-Cooper Review undertakings that performance data	Written	29/04/2011	12/05/2011

				<p>should be published as investment option level in all regulated funds. From June 2010 Senate Estimates:</p> <p>Senator BUSHBY—Does APRA intend to publish data at an investment option level or are you still holding off until the Cooper review comes out? Mr Chapman (APRA)—The answer is yes and yes. We do intend to publish it but we are not going to start the process of designing the collection until after Cooper has reported and we know what is happening there. Then of course we will have the normal time lag problem of how long it is before we can publish that data.</p> <ul style="list-style-type: none"> - Now that Stronger Super has been released with a Government commitment that APRA should continue developing enhanced super statistics, how long does APRA estimate it will need to develop its new statistical collection? - What is APRA’s view of the Stronger Super endorsement of the Cooper recommendations in respect of superannuation performance data for consumers? - Does APRA remain committed to producing investment option level performance data? 			
182	APRA	Bushby	Additional regulatory powers & the Cooper Review	<p>The Government’s response to the Cooper Review, known as Stronger Super, endorsed recommendations which will provide APRA with the capacity to issue prudential standards in superannuation.</p> <ul style="list-style-type: none"> - Does APRA feel it is presently ill-equipped to prudentially regulate the superannuation industry? - What is APRA’s current thinking on the nature of the proposed superannuation prudential standards? - What type of standards does APRA believe it needs? - Will APRA prudentially regulate the scale of the superannuation industry? 	Written	29/04/2011	12/05/2011
183	APRA	Bushby	Supervision of conglomerates – capital	<p>How do APRA’s proposals for conglomerates compare with other jurisdictions? Does consideration (and implementation of) Basel II and Basel III capital adequacy requirements affect the supervision of conglomerates initiative? Has APRA consulted with ASIC on its conglomerate capital proposals? Is APRA aware of ASICs proposals (ASIC Consultation Paper 140 Responsible Entities: Financial Requirements) for additional capital requirements on Responsible Entities of Managed Investment Schemes? APRA and ASIC’s methodologies are different – why is APRA basing its methodology on a proportion of funds under management while ASIC is basing theirs on a proportion of total revenue? How will APRA ensure that double counting is avoided?</p>	Written	29/04/2011	12/05/2011

				<p>How will APRA's conglomerate capital proposals interact with the proposals in the Cooper review relating to increased capital requirements for all APRA regulated superannuation funds?</p> <p>Won't superannuation funds which are part of conglomerate groups be placed at a competitive disadvantage to those which are not covered by these proposals if the Cooper recommendations are not introduced?</p> <p>Do these proposals mean that superannuation funds which are part of conglomerate groups will be safer than those outside a conglomerate group because their parent entity will be required to hold additional capital?</p> <p>The Government's Stronger Super paper commits APRA to developing a risk-based approach for capital requirements in superannuation – has APRA commenced developing this framework? Is this likely to be an operational risk reserve or trustee held capital?</p>			
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