

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 3-5 June 2008

**Question: bet 53**

**Topic: Tax Laws Amendment 2008 Measure (No. 3) Bill 2008**

**Hansard Page: E101**

**Senator Bushby asked:**

**Mr Ray**—There have been previous consultations with industry on this particular measure or this particular issue. The other thing was that the government wished in this particular case to move quickly because the uncertainty around the way that the tax law would operate post McNeill was causing problems for Australian companies that wanted to manage their capital. I am not denying that the three-day consultation period was less than you would expect in the normal course.

**Senator BUSHBY**—But you are saying there was an imperative?

**Mr Ray**—I think the government would say there was an imperative that justified it. In addition, this was an issue that had been consulted on with industry over some period.

**Senator BUSHBY**—Can you tell me, as a result of the three days of consultation that was allowed, how many changes were made to the draft?

**Mr Ray**—We would have to take that on notice.

**Senator BUSHBY**—When doing so, can you also let me know whether any of those changes made it to the legislation and to which provisions?

**Mr Ray**—We will take all of that on notice.

**Senator BUSHBY**—Can you describe for me the time line for completing your drafting instructions for the Office of Parliamentary Counsel and when was the drafting returned to the department for review or comment concerning this change?

**Mr Ray**—Again, we would need to take that on notice.

**Answer:**

Six changes were made to legislation as a result of the consultation process on the Shareholder and unit-holder rights measure in Tax Laws Amendment (2008 Measures No 3) Bill 2008. The provisions which were modified following consultation were sections 11-55, 59-40, 104-135, 104-155, 112-20 and 112-37. In addition, changes were made to the explanatory memorandum and some interpretational issues were raised with the Australian Taxation Office.

Drafting instructions to reflect the issues arising out of consultation were sent to the Office of Parliamentary Counsel on 29 April 2008. A revised draft of the legislation was returned to Treasury on 1 May 2008 and the legislation was finalised on 2 May 2008.

The Australian Taxation Office concluded its view on a significant interpretational question that had been raised in consultation on 20 May 2008. As a result, a late change was required to the legislation. Drafting instructions were sent to the Office of Parliamentary Counsel on 20 May 2008 and revised draft legislation was returned on the same day. The legislation was finalised on 21 May 2008.