

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 162

Topic: RIS Process

Hansard Page: E80

Senator Cormann asked:

Senator CORMANN—The health department has in fact been accurate in their description that they provided input to the process. You consulted them. They were not the driving agency as such in terms of this particular policy measure?

Mr Ray—I think it is fair to say that what I said was that, for the material that was prepared for cabinet, consideration was done by the central agencies.

Senator CORMANN—Did you consult with anyone outside of the federal government?

Mr Ray—No.

Senator CORMANN—Did you consult with the states and territories to assess the impact on them?

Mr Ray—No.

Senator CORMANN—Did you conduct a regulatory impact statement?

Ms Furnell—In this process there was not a regulatory impact statement prepared.

Senator CORMANN—Why is that?

Ms Furnell—I think it is not uncommon as part of some of the budget processes that the full process is not carried out where very sensitive measures are being—

Senator CORMANN—Who made that decision?

Ms Furnell—I think the department of health referred to the Prime Minister providing an exemption. I would have to check with them on the exact process.

Senator CORMANN—Did the Prime Minister provide the exemption?

Ms Furnell—I would like to take on notice the exact process around the RIS process.

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Senator CORMANN—If you could give me the exact description from your point of view as to why there was no regulatory impact statement that would be great.

Answer:

The Department of Finance and Deregulation's best practice regulation requirements permit an exemption from the Regulation Impact Statement (RIS) process in exceptional circumstances. In regard to the reforms to the Private Health Insurance Rebate, the Prime Minister agreed that an exemption for exceptional circumstances be granted. This followed advice from the Acting Treasurer (Minister Tanner).