

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Estimates 22-23 October 2008

**Question: sbt 45**

**Topic: Unlimited Deposit Guarantee**

**Hansard Page: E17 – E18**

**Senator COONAN asked:**

Senator COONAN —Minister, was the Treasurer aware of the problems in markets that the unlimited guarantee was causing when he introduced the legislation into the House on Wednesday?

Senator Conroy —I do not think I can comment on what was in the mind of the Treasurer.

Senator COONAN —You can say what his state of knowledge is.

Senator Conroy —No, I do not think you can ask the officials to try to second-guess the—

Senator COONAN —Well, had he been told prior to introducing—

Senator Conroy —Now you are going directly to the issue of advice to government.

Senator COONAN —No, no.

Senator ABETZ —No; was he aware of the market response to the package when he introduced the legislation on 15 October?

Senator Conroy —Dr Henry is trying to be very, very helpful. We are not ruling out any questions; we are trying to give you as much information as we can.

Senator COONAN —Very wise.

Dr Henry —I have already referred to the second reading speech. I am looking for a copy of it, and when I find a copy of it, I will read out the relevant paragraph, just so that all senators are aware of it, because it appears that senators might not be aware of this paragraph in the Treasurer's second reading speech.

Senator ABETZ —This was a question to the minister—

Senator COONAN —It was a question to the minister.

Senator ABETZ —as to what the Treasurer was aware of at the time he introduced the legislation on 15 October.

Senator Conroy —I am happy to table his second reading speech. We are just in the process of—

Senator ABETZ —No, that is not the question.

Senator JOYCE —We have a copy of that.

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Senator Conroy —That is good; perhaps you might want to table it for the whole committee.

Senator ABETZ —More than happy to.

Senator Conroy —I am happy to take that on notice and seek the advice of the Treasurer, but asking either the officials or me to second-guess what was in the Treasurer's head when he was tabling legislation is beyond the capacity to answer in this particular forum.

Senator ABETZ —No, that was not the question. Was he aware of the market reaction to the unlimited guarantee by the time he introduced the legislation on 15 October? He was either aware or not aware.

CHAIR —I think the minister has indicated he will take that on notice.

Senator Conroy —I am happy to take it on notice and get you as much information as the Treasurer is able and willing to pass on on that.

#### **Answer:**

As noted, the Treasurer was aware of the market reaction and made comments relevant to this in his second reading speech.