

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: **SBT 711-712**

Topic: **Reviews - Treasury**

Written: **Received from Committee – 26 October 2012**

Senator BUSHBY asked:

711. For this financial year to date (26 October 2012):

- a. How many Reviews are being undertaken?
- b. What reviews have concluded, and for those that are still ongoing, when will those reviews be concluded?
- c. Which of these reviews has been provided to Government?
- d. When will the Government be responding to the respective reviews that have been completed?
- e. Has the Government responded to all reviews within the timeframe? If not, why not?
- f. What is the estimated cost of each of these Reviews?
- g. What reviews are planned?
- h. When will each of these reviews be concluded?

712. For 2011-12:

- a. How many Reviews were undertaken?
- b. Where all reviews have, and for those that are still ongoing, when will those reviews be concluded?
- c. Which of these reviews has been provided to Government?
- d. Did the Government respond to all reviews within the timeframe? If not, why not?
- e. What was the estimated cost of each of these Reviews?
- f. For any ongoing reviews, when will each of these reviews be concluded?

Answer:

711.-712. Refer to attachment.

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Reviews undertaken in Financial year 2011-12					
a. Title of Review	Date Undertaken	b. & f. Date Concluded or expected conclusion date	c. has review been provided to Government?	d. Did the Government respond to review within timeframe?	e. estimated cost of review
Working group to consult on the implementation of a national foreign owned register for agricultural land	Review announced on 15 June 2012.	Consultation submissions closed on 1 February 2013.	No	N/A	N/A
Sharing of report information in the automotive industry	15 July 2011	20 December 2012	Yes	N/A - the Commonwealth Consumer Affairs Advisory Council reports findings to the Minister only.	Nil
Gift cards in the Australian market	9 December 2011	6 July 2012	Yes	N/A - the Commonwealth Consumer Affairs Advisory Council reports findings to the Minister only.	Nil
Post-implementation review of the Tax Design Review Panel's recommendations	The review was foreshadowed by way of announcement in August 2008, and the Board of Taxation was asked to commence it in late 2010.	No reporting date was specified for this review. The report on this review was provided to the Government in December 2011.	Yes	The Government issued its response to the review on 6 September 2012.	The review was conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants were used at a cost of \$5,479.52.
Review of the taxation treatment of collective investment vehicles (CIVs)	This review was announced on 11 May 2010.	Reports on this review were delivered in three components. The report on the first component (the VCLP component) was completed in 2010-11. The report on the second component (the Board's review of an Investment Manager Regime (IMR) as it relates to foreign managed funds)	All three reports have been provided to the Government.	TBA. The Government announced its response to the Board's review of an IMR as it relates to foreign managed funds on 16 December 2011. The timing of its response to the two other reports is a matter for the	The review was conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants were used at a cost of \$64,966.75.

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		was delivered to the Government on 31 August 2011. The report on the third component (the report on the main CIV review) was delivered to the Government in December 2011.		Government to determine.	
Post-implementation review of Division 7A	This review was announced on 18 May 2012.	30 June 2013	No - the review was ongoing as at the end of 2011-12.	The timing of the Government's response to the report, once delivered, will be a matter for the Government to determine.	The review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultant costs are estimated to be \$10,000.
Review of Tax Arrangements Applying to Permanent Establishments	This review was announced on 24 May 2012.	30 April 2013	No - the review was ongoing as at the end of 2011-12.	The timing of the Government's response to the report, once delivered, will be a matter for the Government to determine.	The review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultant costs are estimated to be \$85,000.
Post-implementation review of certain aspects of the consolidation regime	This review was announced on 3 June 2009. The initial report (the phase one report) was provided to the Government on 26 June 2012. On 25 November 2011, the Government requested that the Board also investigate and report on various further issues (the phase two report).	No reporting date has been specified for either the phase one or phase two reports.	The phase one report was provided to the Government in 2011-12. The phase two review commenced in 2011-12, and was still ongoing as at the end of 2011-12.	TBA. The timing of the Government's response to the phase one report is a matter for the Government to determine. The timing of the Government's response to the phase two report, once delivered, will also be a matter for the Government to determine.	The review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultant costs for the phase one review were approximately \$85,000. Consultant costs for the phase two review are estimated to be \$105,000.

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Review of Venture Capital and Entrepreneurial Skills	2012	September 2012	Yes	Response expected to be released in first quarter of 2013.	No additional cost.
Clean Energy Finance Corporation Expert Review	12 October 2011	28 March 2012	Yes	Yes, the Government responded to the Expert Review on 17 April 2012. The Government accepted all recommendations made in the Expert Review Panel's Report and is implementing them through the Clean Energy Finance Corporation Act 2012, which commenced on 3 August 2012.	Departmental funding of \$2.7 million was provided to Treasury in 2011-12 to undertake the Expert Review.
Law Value Parcel Processing Taskforce	December 2011	31 July 2012	Yes	Interim response released 3 December 2012. Final response will be released in 2013.	The cost of the Taskforce and supporting Secretariat was met by the agencies participating in the Secretariat. Treasury provided one staff member for a period of approximately seven months and contributed funding of \$101,195.85 (\$58,886.00 in 2011-12 and \$42,308.86 in 2012-13).
Review of not-for-profit funding	2011-13	ongoing	no, in progress	N/A	Review being conducted under the auspices of COAG's Not-for-profit Reform Working Group, Commonwealth resources provided from

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Review into appropriate governance arrangements for the not-for-profit sector	December 2011 - December 2012	Review concluded	Yes	Yes, the Government responded through the release of draft governance regulations in December 2012.	existing budget funding. Review conducted internally.
Review of tax concessions for the not-for-profit sector	commenced February 2012	Report to be provided to Government by March 2013	no, in progress	N/A	The review is being conducted by the NFP Sector Tax Concession Working Group. Its secretariat is provided by Treasury, with resources provided from existing budget funding.
Review of the GST Distribution	Announced on 30 March 2011	Review concluded on 2 November 2012	Final report provided to Government on 2 November 2012 and publicly released by Government on 30 November 2012.	Discussions with the States and Territories on the final report recommendations are ongoing.	The Government has provided \$0.8 million in 2011-12 and \$0.2 million in 2012-13 for the review. The cost of the Secretariat for the review is being absorbed within the Treasury budget.
Competition in the clearing and settlement of the Australian cash equity market	June 2012	early 2013	30 June 2013	N/A	The Review is being conducted by the Council of Financial Regulators (CoFR) (members include the Governor of the Reserve Bank, the Secretary of the Treasury, and the Chairs of both APRA & ASIC). The review is being

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					conducted internally by agencies represented on the CoFR.
Advisory Panel on the Economic Potential of Senior Australians	March 2011	December 2011	December 2011	The Government announced the response to the Panel's final report on 18 April 2012.	\$750,000 including Treasury staffing, but excluding staffing costs of one secondee from Department of Health and one secondee from FaHCSIA.

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a. & g. Title of Review	Date Undertaken	b.& h. Date Concluded or expected conclusion date	c. has review been provided to Government?	d. when will the Government respond to review if completed?	e. Has the Government responded to review with the timeframe?	f. estimated cost of review
Post-implementation review of Division 7A	This review was announced on 18 May 2012.	30 June 2013	No	This will be a matter for the Government to determine.	N/A	The review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultant costs are estimated to be \$10,000.
Review of Tax Arrangements Applying to Permanent Establishments	This review was announced on 24 May 2012.	30 April 2013	No	This will be a matter for the Government to determine.	N/A	The review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultant costs are estimated to be \$85,000.
Post-implementation review of certain aspects of the consolidation regime	This review was announced on 3 June 2009. The initial report (the phase one report) was provided to the Government on 26 June 2012. A response to the phase one report is yet to be announced. On 25 November 2011, the Government requested that the Board also investigate and report	No reporting date has been specified for either the phase one or phase two report. The phase two report is expected to be finalised in first half of 2013.	The phase one report was provided to the Government in 2011-12. The phase two report is expected to be provided in the first half of 2013.	This will be a matter for the Government to determine.	N/A	The review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultant costs for the phase two review are estimated to be \$105,000.

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	on various further issues (the phase two report).						
Review of Phase One of the National Credit Reforms	In progress	Mid-2013	No	TBA	N/A	Review is being conducted internally.	
Business Tax Working Group (BTWG) Final Report	1 May 2012 (First BTWG report concluded in April 2012)	1 November 2012	Yes	No further recommendations to respond to.	N/A	Review conducted by independent working group with internal support from the BTWG secretariat. The cost absorbed within the Treasury budget.	