

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 22-23 October 2008

Question: sbt 82

Topic: \$20,000 Cap on Deposit Guarantees – APRA Consultation

Hansard Page: E18

Senator BRANDIS asked:

Senator BRANDIS —So your first recollection of APRA being consulted on this issue of lifting the \$20,000 cap was at the meeting of the council on 10 October. Is that your evidence?

Dr Laker —In the context of looking at a broader set of responses to the difficult environment we were in at the time, yes.

Senator BRANDIS —You have explained that to us, but I want to isolate it from the context. I just want to establish one fact in black and white: when APRA was first consulted on this matter. Both you and Dr Henry have told us that it was discussed at this meeting of 10 October, so that is not in controversy, but I just want to know one other fact—that is, whether APRA, outside the context of the meeting of 10 October, was consulted about the matter and, if so, when.

Dr Laker —I will take that on notice, only because I am not the only person that handles these matters and I do not know at what lower level any discussions might have taken place. But certainly from my memory of it there were discussions about the limit because the question of a higher limit had been raised at the political level, so the matter was in front of everybody at that point. I will take on notice whether or not there had been any soundings of the people who had been working on the details. There was a process of detail going on.

Senator BRANDIS —Can Mr Littrell, Mr Byres, Mr Chapman or Mr Venkatramani assist?

CHAIR —Senator, it is being taken on notice.

Senator BRANDIS —What has been taken on notice is Dr Laker's knowledge. I am now asking other gentlemen about their knowledge. Can any of the other officers at the table assist? Dr Venkatramani?

Mr Venkatramani —I was not involved.

Senator BRANDIS —Mr Chapman?

Senator PRATT —Senator Brandis has had his 10 minutes.

CHAIR —Senator Farrell.

Senator Sherry —Senator Heffernan, I think the events are significantly serious not to make trite and stupid interjections. I would not expect that from anyone.

CHAIR —Senator Farrell.

Senator BRANDIS —Mr Chapman, were you—

CHAIR —No, Senator Farrell has a question.

Senator BRANDIS —I have not finished my question.

CHAIR —No.

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Senator BRANDIS —I was in the middle of a question. Are you taking the call away from me in the middle of a question?

CHAIR —Yes, I am. Senator Farrell.

Senator BRANDIS —Point of order, Madam Chairman.

Senator FARRELL —Madam Chairman—

Senator BRANDIS —Could I have a point of order? Senator Farrell, I have a point of order. As you know, a point of order must be taken immediately.

Senator Sherry —Could I just respond to the question? All the officers will take it on notice and check with officers in APRA, as Dr Laker has indicated.

Answer:

In the weeks preceding the meeting of Council members on 10 October, there were discussions at the working level about the appropriateness of the \$20,000 cap. This was in the context of the development of the Financial Claims Scheme legislation. However, the matter was not taken up by Council members until the meeting of 10 October.