

## **Economics Legislation Committee**

The committee met on Wednesday, 3 June 2015 from 9 am until 8.26 pm.

The committee called agencies from the Treasury portfolio, including the Australian Securities and Investments Commission (ASIC), the Australian Prudential Regulation Authority (APRA) and the Productivity Commission (PC), and agencies of the Industry and Science portfolio, including the Australian Nuclear Science and Technology Organisation (ANSTO), the Commonwealth Science and Industrial Research Organisation (CSIRO), the Australian Institute of Marine Science (AIMS), the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and Geoscience Australia.

Among other issues, the following matters were discussed:

- high frequency trading in Australia and action taken by ASIC when front-running conduct has been identified,
- online ‘pay-day’ finance providers and ASIC’s monitoring of such providers,
- land banking scams and ASIC’s investigation of this,
- proper disclosure of, and equal access to, market price information for all investors,
- ASIC’s action against the Bank of Queensland and the compensation settlement achieved for victims,
- wire fraud and ASIC’s ability to facilitate law enforcement in foreign jurisdictions,
- ASIC’s progress regarding the NAB financial planning debacle,
- the ‘stickiness’ (or gap) between the nominal credit card rate and the cash rate,
- the process regarding the investigation of misconduct by Mr Craig Gore,
- regular engagement with innovative businesses as well as with the NSW state government about the financial regulatory framework,
- the transfer of regulatory responsibilities for private health insurance to APRA,
- the housing market and whether APRA has looked at the policy approaches adopted in New Zealand,
- the exposure of banks to mortgages and capital requirements and whether APRA needs to intervene,
- any input from APRA to the Department of Foreign Affairs and Trade in relation to the trade and services agreement,
- discussion on which government agency has a broad mandate to look into housing affordability,
- whether there is a formal process or code of practice encouraging boards to appoint independent directors in the superannuation industry,
- discussion of the benefits of nuclear energy,
- ANSTO’s response to the global supply of rare earths and the uses of rare earths,

- ANSTO's budget and the various measures brought forward,
- the Commonwealth's contribution to the operation of the synchrotron,
- the range of experience of ANSTO's senior officers in relation to nuclear production or nuclear supply,
- Australia's role in the global supply of synroc,
- ANSTO's nuclear waste storage,
- the appointment of members to fill vacancies on the CSIRO board,
- the budget allocated to the use of the vessel *RV Investigator*,
- the restructure of the CSIRO, and the reason for the closure of the Griffiths research laboratory,
- an update on staff turnover, attrition and morale at the CSIRO,
- the partnership between the CSIRO and Textor Technologies which developed a three-dimensional moisture-trapping fabric used in Kimberley-Clark products,
- benefits derived from the development of wi-fi and from the CSIRO's other research,
- technologies used to measure methane emissions,
- AIMS' sea-simulator program and the research work undertaken,
- staffing numbers in AIMS and whether there has been any reduction in funding and its effect,
- the formal process of conferral of regulatory functions from state jurisdictions to the Commonwealth and the expected benefits of, and timeline for, harmonisation, including an update on the conferral of powers from the states to NOPSEMA,
- an update on staff reductions and the number of graduates recruited in Geoscience Australia,
- an update on Geoscience Australia's enterprise bargaining agreement and the issues identified to progress negotiations, and
- the overall size of Australia's identified coal seam gas resource.