

The Senate

Economics
Legislation Committee

Budget estimates 2010–11

June 2010

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Senate Economics Legislation Committee

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Senator Alan Eggleston, Deputy Chair	Western Australia, LP
Senator David Bushby	Tasmania, LP
Senator Doug Cameron	New South Wales, ALP
Senator Louise Pratt	Western Australia, ALP
Senator Nick Xenophon	South Australia, IND

Other senators in attendance

Senator the Hon Eric Abetz	Tasmania, LP
Senator Guy Barnett	Tasmania, LP
Senator Cory Bernardi	South Australia, LP
Senator Simon Birmingham	South Australia, LP
Senator the Hon Ronald Boswell	Queensland, NATS
Senator the Hon George Brandis	Queensland, LP
Senator Bob Brown	Tasmania, AG
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Senator Glenn Sterle	Western Australia, ALP
Senator John Williams	New South Wales, NATS

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Budget Estimates 2010–11

Report to the Senate

Introduction

1.1 On 11 May 2010 the Senate referred to the committee for examination and report the following documents in relation to the Innovation, Industry, Science and Research; Resources, Energy and Tourism; and Treasury portfolios:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2011 [Appropriation Bill (No. 1) 2010–2011]; and
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2011 [Appropriation Bill (No. 2) 2010–2011].¹

Portfolio structures and outcomes

1.2 The committee notes that changes have been made to the outcomes of several agencies in the above three portfolios since the 2009–10 Additional Estimates round. These changes are summarised below:

Agency	Old outcome	New outcome
Australian Research Council (ARC)	Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice	Growth of knowledge and innovation through providing policy advice, measuring research excellence and managing research funding schemes
Australian Solar Institute (ASI)	N/A - new agency (the ASI was incorporated as a wholly-owned Commonwealth company in August 2009)	Encourage innovation and cost effective developments in solar energy technologies to accelerate commercial deployment through knowledge building and collaborative research, development and support for Australian industries and research organisations
Australian Office of Financial Management (AOFM)	To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time	The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government

1 *Journals of the Senate*, No. 120, 11 May 2010, p. 3444.

1.3 The complete structure and outcomes for each portfolio are summarised in the appendices as indicated below:

- Innovation, Industry, Science and Research (Appendix 4);
- Resources, Energy and Tourism (Appendix 5); and
- Treasury (Appendix 6).

General comments

1.4 The committee received evidence from Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research; Senator the Hon Penny Wong, representing the Minister for Tourism; the Assistant Treasurer, Senator the Hon Nick Sherry; and officers from the Innovation, Industry, Science and Research; Resources, Energy and Tourism; and Treasury portfolios.

1.5 The committee thanks the ministers and officers who attended the hearings for their assistance.

1.6 The committee conducted hearings over five days, on 27 May 2010 and from 31 May 2010 to 3 June 2010. In total the committee met for 42 hours and 35 minutes, excluding breaks.

Questions on notice

1.7 The committee draws the attention of all departments and agencies to the deadline of Friday, 30 July 2010 for the receipt of answers to questions taken on notice from this round. As the committee is required to report before responses to questions are due, this report has been prepared without reference to any of these responses. The secretariat is preparing indexes for questions taken on notice during and after the hearings and these will be made available on the following website http://www.aph.gov.au/Senate/committee/economics_ctte/estimates/bud_1011/index.htm.

1.8 For the 2009–10 Additional Estimates round answers to questions on notice were due to be provided to the committee by Thursday, 1 April 2010. The committee commends the Innovation, Industry, Science and Research portfolio for submitting all answers on time. However, the committee expresses concern that no questions placed on notice with the Resources, Energy and Tourism portfolio were answered by the due date. For the Treasury portfolio, 105 questions (out of 171 questions placed on notice) remained unanswered at close of business on the due date. Furthermore, the final Treasury portfolio answer was not received until 16 June 2010.

Procedural issues

1.9 After contact from the committee prior to the hearings, Treasury informed the committee that the Secretary to the Treasury, Dr Ken Henry, would be unavailable to attend this round of estimates hearings. This resulted in the Senate agreeing to an order for Dr Henry to appear at another time, to be mutually agreed between Dr Henry

and the committee but, in any case, not later than 30 June 2010.² Dr Henry duly appeared at a specially convened hearing on 27 May 2010.

1.10 As the estimates schedule is determined well in advance of the hearings the committee generally expects the senior officer of each agency to appear. If, for some reason, this is not possible agencies should proactively inform the committee well before the relevant estimates hearing.

Ordinary annual services of the government

1.11 On 17 June 2010 the Appropriations and Staffing Committee tabled its 50th Report in the Senate. The report focussed on an ongoing issue relating to the classification of ordinary annual services of the government. In the report, the Appropriations and Staffing Committee highlighted that:

Expenditure for the ordinary annual services of the government has always been contained in a separate bill to preserve the Senate's right under section 53 of the Constitution to amend bills appropriating funds other than for the ordinary annual services of the government and to comply with section 54.³

1.12 In this most recent report, the Appropriations and Staffing Committee restated concerns it had raised in its 45th Report:

Recent appropriation bills have been based on a mistaken assumption that the committee agreed to abandon the long-standing principle that all new policies would be classified as not part of the ordinary annual services of the government, and that the committee agreed that any expenditure falling within an existing outcome would be classified as ordinary annual services expenditure. On this view, completely new programs and projects may be started up using money appropriated for the ordinary annual services of the government, and the Senate is unable to distinguish between normal ongoing activities of government and new programs and projects or to identify the expenditure on each of those areas.⁴

1.13 The Appropriations and Staffing Committee considered correspondence from the Minister for Finance and Deregulation in relation to the matter and noted 'that the Minister's response has not provided a way forward to resolve this difference of view.'⁵ The committee therefore resolved that:

2 *Journals of the Senate*, No. 122, 13 May 2010, p. 3494.

3 Senate Appropriations and Staffing Committee, 50th Report, *Ordinary annual services of the government*, June 2010, p. 1.

4 Senate Appropriations and Staffing Committee, 50th Report, *Ordinary annual services of the government*, June 2010, p. 1.

5 Senate Appropriations and Staffing Committee, 50th Report, *Ordinary annual services of the government*, June 2010, p. 2.

...the solution to the problem is to return to the Senate's original determination, so that new policies for which no money has been appropriated in previous years are separately identified in their first year in the appropriation bill which is not for the ordinary annual services of the government.⁶

1.14 In light of this, the Economics Legislation Committee draws the attention of the Senate to several measures included in Appropriation Bill (No. 1) 2010–2011 – that is, the ordinary annual services bill – that appear to be new policies for which no money has been appropriated in previous years. These include:

- Commonwealth Australian National University Strategic Relationship (\$112.9 million over four years, starting in 2010–2011)⁷;
- Cairns Institute Tropical Innovation Hub — contribution (\$19.5 million over two years, starting in 2010–2011)⁸;
- National Tourism Accreditation Framework — establishment (\$5.5 million over four years, starting in 2010–2011)⁹; and
- Population Strategy (\$1.25 million in 2010–2011)¹⁰.

Record of proceedings

1.15 This report does not attempt to analyse the evidence presented over the five days of hearings. However, it does include a brief list of the issues that were traversed by the committee for all portfolios.

1.16 Copies of the Hansard transcripts and documents tabled at the hearings (see Appendix 3 for a list of the documents) are available on the internet at http://www.aph.gov.au/Senate/committee/economics_ctte/estimates/bud_1011/index.htm. These documents are also tabled with this report for the information of the Senate.

Matters raised – Innovation, Industry, Science and Research portfolio

1.17 On 31 May 2010, the committee examined the estimates for the:

- Australian Nuclear Science and Technology Organisation (ANSTO);
- Commonwealth Scientific and Industrial Research Organisation (CSIRO);
- Australian Research Council (ARC);

6 Senate Appropriations and Staffing Committee, 50th Report, *Ordinary annual services of the government*, June 2010, p. 2.

7 *2010–11 Budget Paper No. 2*, pp 279–280.

8 *2010–11 Budget Paper No. 2*, p. 278.

9 *2010–11 Budget Paper No. 2*, p. 291.

10 *2010–11 Budget Paper No. 2*, p. 293.

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- IP Australia;
 - Department of Innovation, Industry, Science and Research [Innovation and Industry];
 - Office of the Chief Scientist; and
 - Department of Innovation, Industry, Science and Research [Science and Research]

1.18 Matters examined included the following:

Australian Nuclear Science and Technology Organisation (ANSTO)¹¹

- safety incident in ANSTO's radiopharmaceutical production facility in August 2008 and subsequent reviews (pp 4–8 and 11–12);
- nature of the relationship between ANSTO and the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) (p. 8);
- repatriation and storage of nuclear waste currently located in Europe (pp 8, 10–11 and 14–16);
- decommissioning of the High Flux Australian Reactor (HIFAR) at Lucas Heights (p. 9);
- impact of the efficiency dividend on ANSTO operations (pp 9–10);
- PETNET Cyclotron facility opened in August 2009 (pp 12–13); and
- Open Pool Australian Lightwater (OPAL) reactor and its production output of molybdenum-99 (pp 13–14).

Commonwealth Scientific and Industrial Research Organisation (CSIRO)¹²

- closure and subsequent merging of CSIRO facilities in Canberra (pp 16–19 and 33);
- staffing cuts (pp 19 and 24–25);
- CSIRO support of the Women in Climate Change forum series (pp 19–20);
- the *State of the Climate* report released by CSIRO and the Bureau of Meteorology (pp 20–22, 23–24 and 28);
- CSIRO survey on housing and sea level rise (pp 22–23);
- bushfire research (pp 25–26);
- CSIRO funding for rural and regional sector projects (p. 26);

11 Transcript page numbers for the Australian Nuclear Science and Technology Organisation (ANSTO), refer to *Proof Hansard*, 31 May 2010 (see the index at Appendix 2 of this report).

12 Transcript page numbers for the Commonwealth Scientific and Industrial Research Organisation (CSIRO), refer to *Proof Hansard*, 31 May 2010 (see the index at Appendix 2 of this report).

- impact of a potential recruitment freeze (pp 26–27);
- Square Kilometre Array (pp 28–30);
- collaboration with the University of Western Australia Oceans Institute (p. 30);
- claims by Dr Garth Partridge of intimidation of CSIRO scientists (pp 31–33);
- CSIRO facility at Boggo Road Precinct (pp 33–34);
- global food task modelling (p. 34); and
- CSIRO projects in Northern Australia (p. 35).

Australian Research Council (ARC)¹³

- Excellence in Research for Australia Initiative (pp 35–38);
- national research priority areas (pp 38–39);
- climate change research (pp 40–41);
- gene patent research (pp 41–42); and
- impact of a potential recruitment freeze (pp 42–43).

IP Australia¹⁴

- proposed research and development legislation changes and IP rights held overseas (pp 43–45);
- current backlog of patent applications (p. 45);
- Resource Management System project (pp 45–46);
- impact of a potential recruitment freeze (p. 46);
- IP Australia Portfolio Budget Statement (pp 47–49); and
- patenting of biological materials (p. 48).

Department of Innovation, Industry, Science and Research [Innovation and Industry]¹⁵

- new research and development legislation (pp 49–58, 59 and 63–66);
- small business advisory services (p. 58);
- LPG vehicle scheme (pp 58–59 and 83–84);

13 Transcript page numbers for the Australian Research Council (ARC), refer to *Proof Hansard*, 31 May 2010 (see the index at Appendix 2 of this report).

14 Transcript page numbers for IP Australia, refer to *Proof Hansard*, 31 May 2010 (see the index at Appendix 2 of this report).

15 Transcript page numbers for the Department of Innovation, Industry, Science and Research [Innovation and Industry], refer to *Proof Hansard*, 31 May 2010 (see the index at Appendix 2 of this report).

-
- Book Industry Strategy Group (pp 59–63);
 - steel industry (p. 63);
 - pharmaceutical industry (pp 66–74);
 - Commercialisation Australia grant to Allhomes (pp 74–77);
 - tenders to supply Defence clothing (pp 77–78, 88–90 and 105–106);
 - Green Car Innovation Fund (pp 78–82);
 - Automotive Industry Structural Adjustment Fund (pp 82–83);
 - Green Building Fund (pp 83–88);
 - Insulation Industry Assistance Package (pp 90–93);
 - Australian Innovation System Report 2010 (pp 93–95);
 - industry innovation councils (pp 95–99);
 - Enterprise Connect (pp 99–100);
 - Researchers in Business programme (p. 100); and
 - small-scale mammalian cell production facility (p. 100).

*Office of the Chief Scientist*¹⁶

- climate science (pp 101, 102–103 and 104–105);
- funding and staffing issues (pp 101–102); and
- psychology and early child development research (p. 104).

*Department of Innovation, Industry, Science and Research
[Science and Research]*¹⁷

- collaborative research networks (p. 106);
- cooperative research centres (pp 106–108);
- Square Kilometre Array (p. 108);
- International Science Linkages programme (pp 108–109);
- Cairns Institute Tropical Innovation Hub (pp 109–110);
- Innovation Ambassador Programme (pp 110–111);
- national networks of research data storage and collaboration (pp 111–112);
and

16 Transcript page numbers for the Office of the Chief Scientist, refer to *Proof Hansard*, 31 May 2010 (see the index at Appendix 2 of this report).

17 Transcript page numbers for the Department of Innovation, Industry, Science and Research [Science and Research], refer to *Proof Hansard*, 31 May 2010 (see the index at Appendix 2 of this report).

- impact of a potential recruitment freeze (pp 112–113).

Matters raised – Resources, Energy and Tourism portfolio

1.19 On 1 June 2010, the committee examined the estimates for the:

- Department of Resources, Energy and Tourism [Resources and Energy];
- Geoscience Australia;
- National Offshore Petroleum Safety Authority (NOPSA);
- Australian Solar Institute (ASI);
- Department of Resources, Energy and Tourism [Tourism] and Tourism Australia.

1.20 Matters examined included the following:

***Department of Resources, Energy and Tourism [Resources and Energy]*¹⁸**

- proposed Resource Super Profits Tax (pp 3–5, 8–14, 17–18, 21–26 and 30–31);
- radioactive waste management (pp 5–8);
- geothermal development programme (pp 14–17);
- Low Emissions Technology Demonstration Fund (pp 19–20);
- Renewable Energy Demonstration Programme (pp 20–21);
- Montara oil spill (pp 26–27);
- disposal of West Atlas oil rig (pp 27–28);
- retail electricity prices (pp 28–29); and
- uranium industry (pp 29–30).

***Geoscience Australia*¹⁹**

- publications relating to Australia's oil and gas resources (pp 31–32);
- prospective geological basins (pp 32–33);
- open pit mines and seismic activity (p. 33–34);
- seismic recording stations near Tennant Creek (pp 34–35);
- uranium mining (p. 35);
- geosequestration (pp 35–36 and 37); and

18 Transcript page numbers for the Department of Resources, Energy and Tourism [Resources and Energy], refer to *Proof Hansard*, 1 June 2010 (see the index at Appendix 2 of this report).

19 Transcript page numbers for Geoscience Australia, refer to *Proof Hansard*, 1 June 2010 (see the index at Appendix 2 of this report).

- impact of a potential recruitment freeze (pp 36–37).

National Offshore Petroleum Safety Authority (NOPSA)²⁰

- investigation into the Varanus Island incident (p. 37); and
- Montara oil spill (pp 38–39).

Australian Solar Institute (ASI)²¹

- Mildura solar array (p. 39);
- future solar power stations (pp 39–40);
- administration of solar energy programmes (pp 40–41); and
- solar energy research (pp 41–42).

Department of Resources, Energy and Tourism [Tourism] and Tourism Australia²²

- Tourism Australia expenditure on marketing activities (pp 42–43);
- incorrect map in the Tourism Australia annual report 2008–09 (p. 43);
- impact of the No Leave, No Life campaign (pp 43–44);
- funding of departmental initiatives (pp 44–46 and 51–53);
- effectiveness of the tourism advertising campaign based around the *Australia* movie (pp 46 and 54–55);
- international tourist numbers and expenditure in Australia for 2009–10 (pp 46–48);
- regional tourism in Australia including Far North Queensland (pp 48–49 and 50–51);
- potential impact of the proposed Resource Super Profits Tax on business events tourism (p. 49);
- Indigenous tourism (pp 49–50);
- response to Airlie Beach cyclone (p. 50);
- Tourism Australia budget for years 2008–09 to 2010–11 (pp 55–56);
- movement of Tourism Research Australia from Tourism Australia into the department and impact of the efficiency dividend (pp 56–57);

20 Transcript page numbers for the National Offshore Petroleum Safety Authority (NOPSA), refer to *Proof Hansard*, 1 June 2010 (see the index at Appendix 2 of this report).

21 Transcript page numbers for the Australian Solar Institute (ASI), refer to *Proof Hansard*, 1 June 2010 (see the index at Appendix 2 of this report).

22 The Department of Resources, Energy and Tourism [Tourism] and Tourism Australia were heard together. Transcript page numbers for the Department of Resources, Energy and Tourism [Tourism] and Tourism Australia, refer to *Proof Hansard*, 1 June 2010 (see the index at Appendix 2 of this report).

- 'There's nothing like Australia' advertising campaign (pp 57–59);
- Portfolio Budget Statement (p. 59); and
- Tourism Australia and social media advertising (pp 59–60).

Matters raised – Treasury portfolio

1.21 On 27 May 2010, the committee commenced its examination of the estimates for the:

- Treasury [Macroeconomic Group].

1.22 On 1 June 2010, the committee examined the estimates for the:

- Treasury [Revenue Group] and Australian Taxation Office (ATO); and
- Australian Securities and Investments Commission (ASIC).

1.23 On 2 June 2010, the committee continued its examination of the estimates for the:

- Treasury [Macroeconomic Group]; and examined the estimates for the
- Treasury [Fiscal Group]; and
- Australian Competition and Consumer Commission (ACCC).

1.24 On 3 June 2010, the committee examined the estimates for the:

- Australian Prudential Regulation Authority (APRA);
- Treasury [Markets Group];
- Productivity Commission;
- Australian Office of Financial Management (AOFM); and
- Australian Bureau of Statistics (ABS).

1.25 Matters examined included the following:

Treasury [Macroeconomic Group] (first hearing)²³

- overall budgetary position (pp 4–5);
- Australia's Future Tax System review and the proposed Resource Super Profits Tax (pp 5–11 and 13–22); and
- role of the mining industry in the economy (pp 12–13).

23 Transcript page numbers for the Treasury [Macroeconomic Group] (first hearing), refer to *Proof Hansard*, 27 May 2010 (see the index at Appendix 2 of this report).

Treasury [Revenue Group] and the Australian Taxation Office (ATO)²⁴

- tax reform advertisements (pp 64–70);
- proposed increase in the superannuation guarantee (pp 70–74 and 78–79);
- impact of the proposed Resource Super Profits Tax on superannuation (pp 74–78 and 79);
- concessional contribution caps for superannuation (p. 80);
- superannuation clearing house (pp 80–81);
- ATO change programme (pp 81–90);
- ATO involvement in the implementation of the proposed Resource Super Profits Tax (pp 90–92);
- proposed Resource Super Profits Tax (pp 92–105 and 106–113);
- analysis of Opposition policies by Treasury (pp 105–106);
- proposed reduction in the company tax rate (pp 113–114); and
- proposed instant asset write-off for small businesses (pp 114–115).

Australian Securities and Investments Commission (ASIC)²⁵

- investment scams (pp 115–118);
- Westpoint (p. 118–120);
- use of coercive powers (pp 120–122);
- managed investments (pp 122–123);
- staffing (p. 123–125);
- frozen mortgage funds (pp 125–127);
- debenture issuing companies (pp 127–129);
- mortgage exit fees (pp 129–131);
- Storm Financial (p. 131–132)
- market supervision of the ASX (pp 132–137);
- use of search warrants (p. 136);
- margin lending (pp 137–138);
- regulation of financial advisers (pp 138–139); and
- short selling (pp 139–141).

24 Treasury [Revenue Group] and the Australian Taxation Office were heard together. Transcript page numbers for the Treasury [Revenue Group] and the ATO, refer to *Proof Hansard*, 1 June 2010 (see the index at Appendix 2 of this report).

25 Transcript page numbers for the Australian Securities and Investments Commission (ASIC) refer to *Proof Hansard*, 1 June 2010 (see the index at Appendix 2 of this report).

Treasury [Macroeconomic Group] (second hearing)²⁶

- budget forecasts to 2012–13 (pp 4–6 and 44–45);
- potential effects of the proposed Resource Super Profits Tax (pp 6, 10–15, 17–18, 23–25 and 38);
- unemployment forecasts (pp 7–8);
- Australian labour market performance (pp 8–9);
- fallout from the global financial crisis and European sovereign debt crisis (pp 15 and 42–44);
- G20 fossil fuel subsidies reform (pp 15–17);
- Budget Paper No. 1 and the effect of government stimulus spending (pp 18–23 and 26–29);
- fiscal policy and government debt (pp 29–31);
- carbon emissions modelling and the Carbon Pollution Reduction Scheme (pp 31–37 and 41–42);
- value of the Australian Dollar (pp 37–38); and
- Australia's structural budget balance (pp 38–41).

Treasury [Fiscal Group]²⁷

- population policy and capacity (pp 45–55 and 57–58);
- impact of a potential recruitment freeze (pp 56–57);
- potential effects of the proposed Resource Super Profits Tax (pp 58–61 and 79–82);
- funding for the Building the Education Revolution (pp 61–62 and 65–67);
- budget forecasts to 2013–2014 (pp 62–65);
- department's involvement in the Home Insulation Program (pp 67–68);
- mistake in portfolio budget statement for the Department of Climate Change and Energy Efficiency (pp 68–70);
- Budget Paper No. 1 and government assets (pp 70–71);
- funding for the Nation Building Programme (pp 71–73);
- local government funding and deferred spending (pp 73–75);
- treatment of government net debt (pp 75–78);

26 Transcript page numbers for the Treasury [Macroeconomic Group] (second hearing), refer to *Proof Hansard*, 2 June 2010 (see the index at Appendix 2 of this report).

27 Transcript page numbers for the Treasury [Fiscal Group], refer to *Proof Hansard*, 2 June 2010 (see the index at Appendix 2 of this report).

-
- funding for the Independent Hospital Pricing Authority (p. 78); and
 - hiring of a speechwriter by Treasury (pp 82–83).

Australian Competition and Consumer Commission (ACCC)²⁸

- opening statement by the Chairman (pp 83–87);
- investigations into franchising matters (pp 87–88);
- predatory pricing (pp 88–92);
- investigations into anticompetitive price discrimination, and the substantial lessening of competition test (pp 92–96);
- investigation into Golden Circle (pp 97–98);
- complaints relating to gambling services (p. 98);
- unit pricing code of conduct (pp 98–99);
- petrol pricing (pp 99–100);
- mobile phone contracts (pp 100–101);
- geographic price discrimination (pp 101–102);
- phishing, mishing and vishing scams (pp 102–103);
- procedures for investigating complaints (pp 103–104);
- cartel prosecutions (pp 104–105);
- use of coercive powers and penalties (pp 105–106);
- investigation into the practice of making new release DVDs available to consumers at sub-wholesale prices (pp 106–107);
- telecommunications scams (p. 107);
- North West Shelf joint marketing arrangements (pp 107–108);
- restrictive covenants at shopping centres (pp 108–109);
- complaints from small business (pp 109–111);
- possible inappropriate use of the King Island brand (pp 111–112); and
- competition in the dairy industry (pp 112–114).

Australian Prudential Regulation Authority (APRA)²⁹

- opening statement by the Chairman (pp 4–6);
- executive remuneration (pp 6–7 and 16–18);

28 Transcript page numbers for the Australian Competition and Consumer Commission (ACCC) refer to *Proof Hansard*, 2 June 2010 (see the index at Appendix 2 of this report).

29 Transcript page numbers for the Australian Prudential Regulation Authority (APRA) refer to *Proof Hansard*, 3 June 2010 (see the index at Appendix 2 of this report).

- Basel Committee proposals to improve banking regulation (pp 7–8);
- self-managed superannuation funds and fraud (pp 8–9);
- use of superannuation members' funds to advertise (pp 9–10);
- impact of the global financial crisis on the superannuation industry (pp 10–12);
- unit pricing (pp 12–16);
- hedge funds and the superannuation industry (pp 18–22);
- regulation of the insurance industry (p. 22);
- APRA's involvement with the Review into the Governance, Efficiency, Structure and Operation of Australia's Superannuation System (Cooper Review) (pp 22–24);
- bank deposit guarantee (pp 24–25); and
- impact of a potential recruitment freeze (p. 25).

Treasury [Markets Group]³⁰

- housing market, interest rates and housing affordability (pp 26, 31–32 and 40–41);
- impact of the global financial crisis on financing for small business (pp 26–27 and 29–30);
- level of debt (pp 27–29);
- government guarantee on retail deposits (pp 30–31);
- hedge funds and investor protection (pp 32–35);
- impact of a potential recruitment freeze (pp 35–36);
- OzCar (pp 36–37);
- deregulation of the collection centre scheme for pathology services (pp 37–38);
- proposed Resource Super Profits Tax (pp 38–40);
- regional growth and infrastructure (pp 41–46);
- changes to interest withholding tax (p. 46);
- foreign investment in the Australian agriculture sector (pp 46–48);
- COAG seamless national economy initiatives (pp 48–53);
- infrastructure and the National Freight Strategy (pp 53–60 and 65–66);
- main sources of foreign investment in Australia (pp 60–62);

30 Transcript page numbers for the Treasury [Markets Group], refer to *Proof Hansard*, 3 June 2010 (see the index at Appendix 2 of this report).

-
- National Broadband Network (pp 62–63);
 - radiofrequency spectrum allocations (p. 64);
 - free trade agreements (pp 64–65);
 - Aussie infrastructure bonds (pp 66–68);
 - competition law and the Trade Practices Act (pp 68–71); and
 - impact of an increasing population on food/water supplies and food inflation (pp 71–77).

Productivity Commission³¹

- opening statement by the Chairman (pp 77–78);
- women's participation in the workforce (pp 78–79);
- potential inquiries (pp 79–80);
- inquiry into bilateral and regional trade agreements (pp 80–81);
- inquiry into executive remuneration in Australia (pp 81 and 91–94);
- performance benchmarking of Australian business regulation report (pp 81–82);
- productivity growth (pp 82–83 and 94–96);
- future inquiry into the COAG reform agenda (p. 83);
- inquiry into online gambling (pp 83 and 90–91);
- report into market mechanisms for recovering water in the Murray-Darling Basin (pp 83–90);
- inquiry into wheat export marketing arrangements (p. 96); and
- water availability (pp 96–97).

Australian Office of Financial Management (AOFM)³²

- management of Australia's debt portfolio, including residential mortgage backed securities (pp 97–111).

Australian Bureau of Statistics (ABS)³³

- staff levels and impact of reduction in funding (pp 111–112);
- immigration statistics (pp 112–113);

31 Transcript page numbers for the Productivity Commission refer to *Proof Hansard*, 3 June 2010 (see the index at Appendix 2 of this report).

32 Transcript page numbers for the Australian Office of Financial Management (AOFM), refer to *Proof Hansard*, 3 June 2010 (see the index at Appendix 2 of this report).

33 Transcript page numbers for the Australian Bureau of Statistics (ABS) refer to *Proof Hansard*, 3 June 2010 (see the index at Appendix 2 of this report).

- population projections (pp 113 and 114–115);
- calculation of gross operating surplus (pp 113–114);
- definition of 'person' in business statistics (pp 115–116); and
- mining industry statistics (pp 116–120).

Senator Annette Hurley
Chair

Appendix 1

Abbreviations

ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ANSTO	Australian Nuclear Science and Technology Organisation
AOFM	Australian Office of Financial Management
APRA	Australian Prudential Regulation Authority
ARC	Australian Research Council
ARPANSA	Australian Radiation Protection and Nuclear Safety Agency
ASI	Australian Solar Institute
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
CGS	Commonwealth Government Securities
COAG	Council of Australian Governments
CSIRO	Commonwealth Scientific and Industrial Research Organisation
HIFAR	High Flux Australian Reactor
IP	intellectual property
LPG	liquefied petroleum gas
NOPSA	National Offshore Petroleum Safety Authority
OPAL	Open Pool Australian Lightwater reactor

Appendix 2

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Appendix 3

Documents tabled

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1. Received from Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research: 'In defence of CSIRO', *The Australian*, 31 May 2010
2. Received from Mr Mark Paterson, Secretary, Department of Innovation, Industry, Science and Research: Book Industry Strategy Group terms of reference, dated 9 April 2010

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3. Received from Senator Julian McGauran: Tourism Australia media release – Tourism Australia launches Luhrmann's transformation campaign, dated 8 October 2008
4. Received from Mr Phil Gallagher, Manager, Tax Analysis Division, The Treasury: Reserve Bank of Australia research discussion paper – The effect of the Australian superannuation guarantee on household saving behaviour, Ellis Connolly, dated August 2007
5. Received from Mr Michael D'Ascenzo, Commissioner of Taxation: Opening statement – ATO's change program
6. Received from Senator Barnaby Joyce: Pie charts relating to charges for non-renewable resources as a proportion of mining profits

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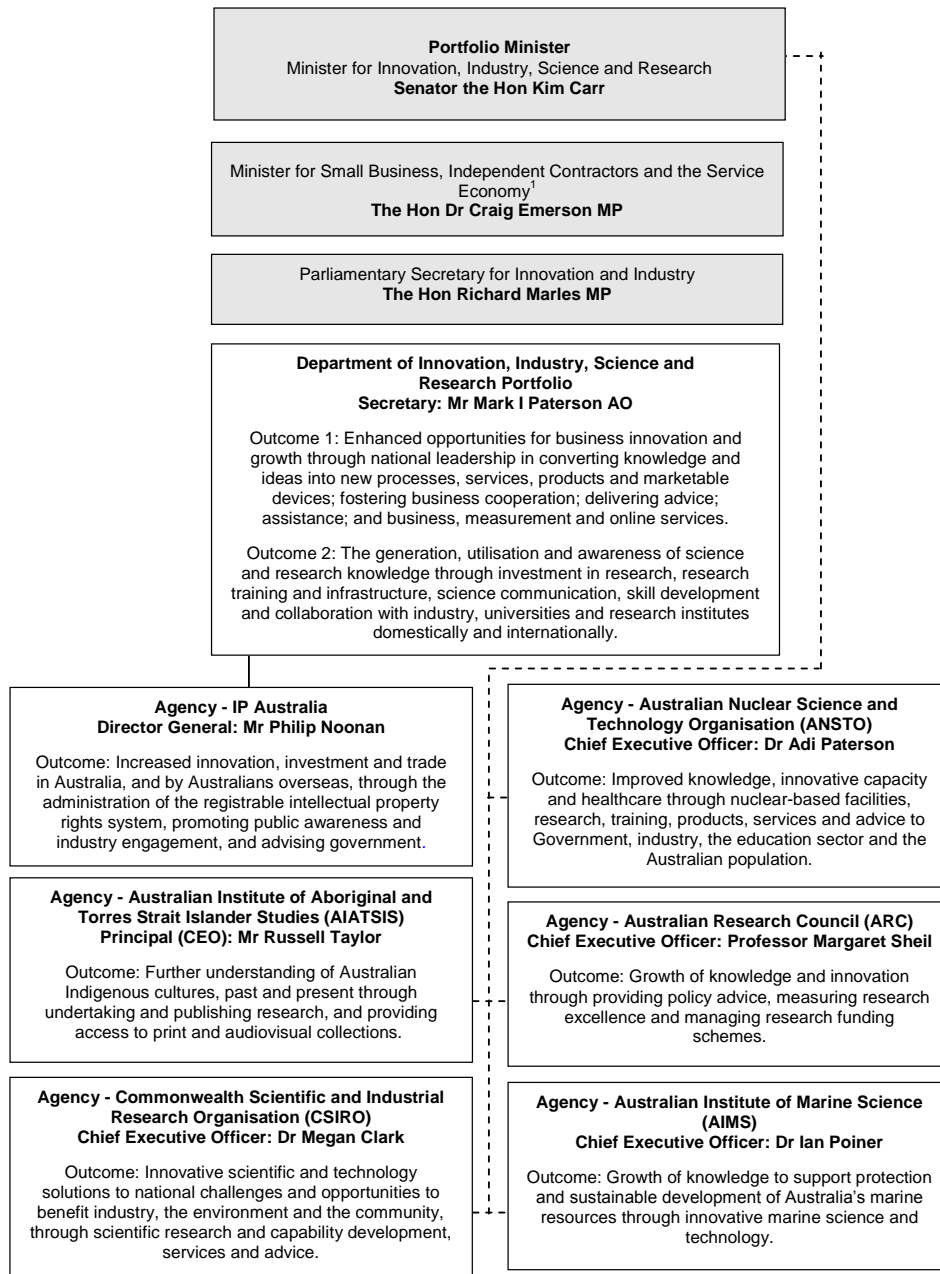
7. Received from Dr David Gruen, Executive Director, Macroeconomic Group, The Treasury: Cross-country analysis of economic growth and fiscal stimulus
8. Received from Senator the Hon Ronald Boswell: Complementary policies for greenhouse gas emission abatement and their national and regional employment consequences – A report for the Australian Conservation Foundation and Australian Council of Trade Unions, dated May 2010
9. Received from Mr Graeme Samuel, Chairman, Australian Competition and Consumer Commission: Senate estimates speaking notes

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10. Received from Senator Doug Cameron: European School of Management and Technology press release – 'Serious concerns' over hedge fund risks, concludes new research, dated 1 June 2010
11. Received from Mr Michael Bath, Director, Financial Risk, Australian Office of Financial Management: Chart – Nominal Commonwealth Government Securities (CGS) yields

Appendix 4

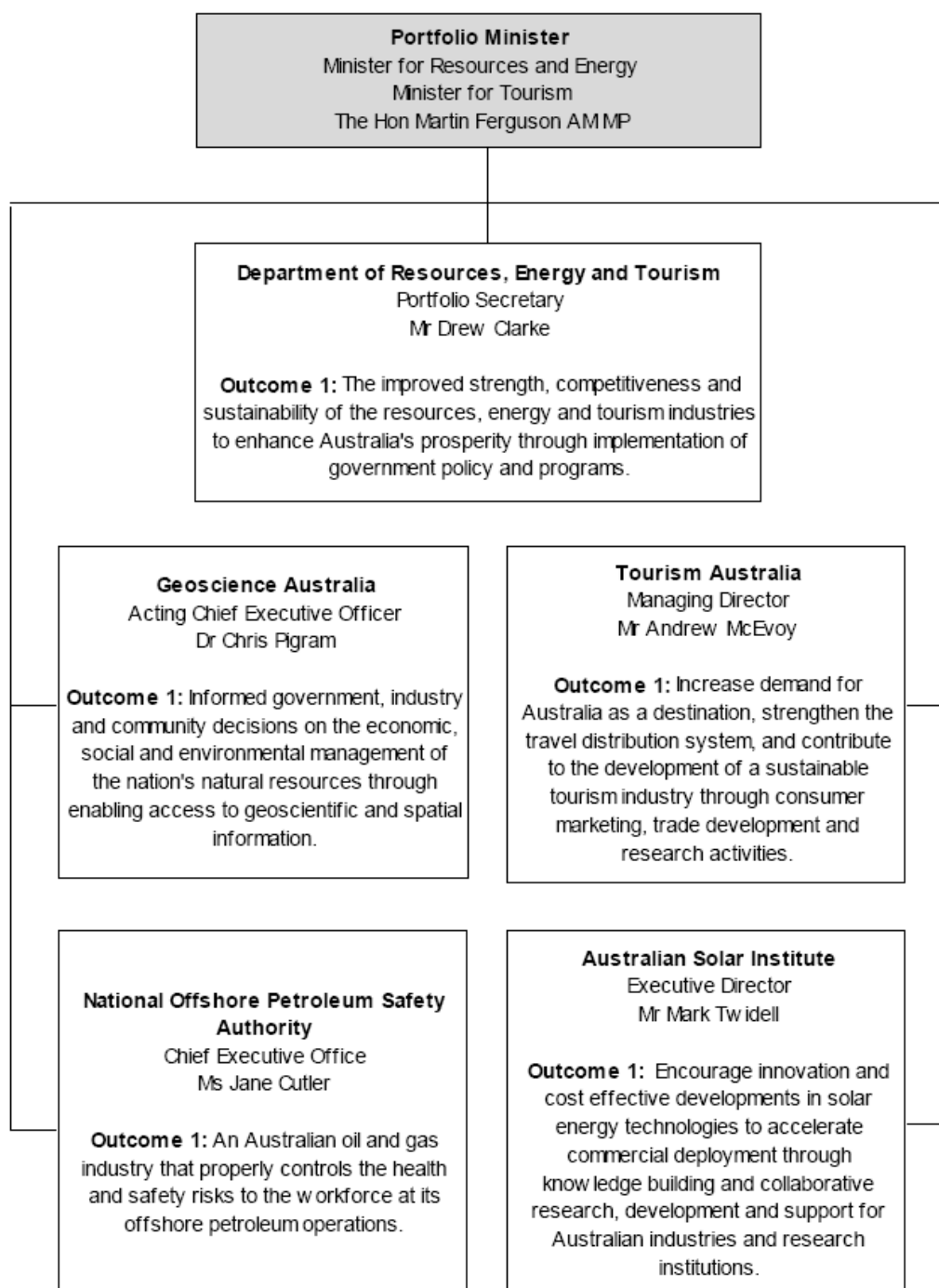
Portfolio structure and outcomes for the Innovation, Industry, Science and Research Portfolio¹



¹ *Portfolio Budget Statements 2010–11*, Innovation, Industry, Science and Research portfolio, p. 6.

Appendix 5

Portfolio structure and outcomes for the Resources, Energy and Tourism Portfolio¹



¹ *Portfolio Budget Statements 2010–11*, Resources, Energy and Tourism portfolio, p. 6.

Appendix 6

Portfolio structure and outcomes for the Treasury Portfolio¹



¹ *Portfolio Budget Statements 2010–11*, Treasury portfolio, pp 6–7.



