

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Clean Energy Finance Corporation

Question: BET 2175

Topic: Market Research

Reference: Written 12 June 2014

Senator: Ludwig

Question:

- 2175 List any market research conducted by the department/agency since Additional Estimates in February, 2014:
- a) List the total cost of this research
 - b) List each item of expenditure and cost, broken down by division and program
 - c) Who conducted the research?
 - d) How were they identified?
 - e) Where was the research conducted?
 - f) In what way was the research conducted?
 - g) Were focus groups, round tables or other forms of research tools used?
 - h) How were participants for these focus groups et al selected?

Answer:

The answer to the honourable Senator's question is as follows:

- 2175 The CEFC is involved in investments which are exposed to a range of markets. As part of its due diligence processes, the CEFC often commissions research when undertaking investments. Most of this research is paid for (and thus owned by) the project proponent and not the taxpayer. The CEFC does not catalogue information of the type requested in relation to market research that is owned by others.

From time to time the CEFC commissions its own market research to better understand market dynamics in a particular sector. The CEFC is not required by the AASB standards or the Finance Minister's Orders to account for this type of purchase as a separate line item in the accounts. Further it does not regularly purchase market research. In consequence it is difficult to identify such purchases because this would involve a manual rechecking of all invoices in the period. As capturing this information a) is not required and b) has no utility to the CEFC, attempting to collect this information would present an unnecessary diversion of public resources that would not meet the requirements of efficient, effective, economical and ethical usage per the *Public Governance and Accountability Act 2013*.

a)-f). See above.

g)-h). The CEFC commissions price-related research in credit markets, commodity markets, energy markets and assets or market share research across an industry sector or sub-sector to support its due diligence in investment decision making. While a broad range of methodologies may be used, the CEFC has not used focus groups and round tables.