

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2014 - 2015

Department/Agency: Treasury)

Question: BET 68

Topic: Assessment that has been made by the deputy governor

Reference: Hansard page no. 91 - 02 June 2015

Senator: Ketter, Chris

Question:

Senator KETTER: Do you agree with the assessment that has been made by the deputy governor?

Ms Quinn: It is difficult to be precise not having read the speech and not always trusting what is written in the newspapers. There are certainly implications for the financial system and how it works in a low-interest-rate environment in terms how it evolves, how it impacts on decisions in different parts of the financial markets. For example, life insurance and superannuation in particular operate differently in a low-interest-rate environment than a high-interest-rate environment.

Senator KETTER: I am going to ask whether the minister agrees with this assessment. It may be one that you might want to take on notice.

Senator Ryan: I can take it on notice but, to be fair, I think I did read some comments from the Treasurer around that issue. It is a very open-ended question, it is very difficult to actually answer in a few sentences, and it is a question on notice. If you are asking me whether he is aware of it, I am sure the answer is 'Yes.'

Senator KETTER: I guess the issue is the assessment of whether we are in an era of low interest rates. That is the thrust of it.

Senator Ryan: I can take it on notice but again you are seeking a complex answer which is very difficult to take on notice and the Treasurer is not at estimates anyway—he is always represented.

Answer:

Please refer to the response to BET 223-227.