

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 165-166

Topic: Government Entities Dividend Payments

Written: Received from Committee – 26 October 2012

Senator JOYCE asked:

Regarding dividends from Australian government entities being paid to the Government:

- 165. Are any Australian government entities meeting their requirements for current or future dividend payments to government by increasing the prices they would otherwise charge to their customers?
- 166. Are any Australian government entities meeting their requirements for current or future dividend payments to government by borrowing (using their own balance sheets) due to not having sufficient distributable earnings?

Answer:

- 165-166. In relation to Government owned entities that are prescribed as Government Business Enterprises (GBEs), the Department of Finance and Deregulation has advised that GBEs have not increased the prices of their goods and services, and or borrowed money (using their own balance sheets) to meet their current or future dividend payments. Treasury can confirm that this is also the case for the Reserve Bank of Australia and the Australian Reinsurance Pool Corporation.

The prices of goods and services charged by government entities are determined by these entities after taking into consideration a number of factors, including the need to price efficiently, forecast demand and cost of delivering the good or service. Government entities also price their goods and services in accordance with any relevant regulatory pricing oversight.