**Senate Standing Committee on Economics**

ANSWERS TO QUESTIONS ON NOTICE

**Treasury Portfolio**

Supplementary Budget Estimates

17 October – 18 October 2012

**Question:** **SBT 24**

**Topic:** **Review of Trusts**

**Hansard Page:** **pg 110, Thursday 18 October 2012**

**Senator CAMERON asked:**

**Senator CAMERON:** Good evening, Mr Quigley. I want to return to the issue of trusts. We have had some exchanges before on this issue. I am afraid this issue of trusts is a long game for me, so I am going to be back every now and again on this issue. There is an inquiry into trusts—is that correct?

**Mr Quigley:** When you say an inquiry, the government has announced a review of trusts.

**Senator CAMERON:** I understand one of your officers—it may have even been you; I am not sure—made a speech to the effect that there will be no imposition of increased tax as a result of the review.

**Mr Quigley:** Sorry, I am not aware of that sort of comment and I am not sure how that could be—

**Mr Heferen:** Possibly I can help. The review of trusts—the simplification and rewrite of the provisions in the legislation dealing with the taxation of trusts—is being dealt with in the Treasury. As I understand it, one of the overarching constraints on it is that it has been made clear it is not a revenue-raising exercise. It is an attempt to take the provisions that are there and try to make sure they are more understandable and updated to make sure they reflect modern circumstances but not an attempt to revisit the underlying policy to create greater revenue.

**Senator CAMERON:** That sounds like what I read somewhere. Was it Treasury that made that comment?

**Mr Heferen:** If someone was out there making a speech at a conference in relation to these issues and it was a government official, then I suspect they were from the Treasury. To confirm, I will take it on notice.

**Answer:**

Treasury officers have made speeches on the review of trusts in March and November 2012. The March 2012 speech made reference to the Government's stated position that the review will be 'broadly revenue neutral.