

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 14 – 15 February 2007

Question: **aet104**

Topic: **Review of Forestry**

Hansard Page: **E70**

Senator SHERRY asked:

What are the observations about that review in respect of forestry?

Mr Callaghan—The review was undertaken, the information gathered and the government made a decision, made an announcement—

Senator SHERRY—There has presumably been a document put together as a consequence of that consultation?

Mr Callaghan—There was ongoing advice provided to the government coming from that consultation, as there always would be.

CHAIR—We are getting very close to commentary on policy, which the officer is not obligated to do.

Senator SHERRY—Yes, I understand that. Is the documentation on the review publicly available?

Mr Callaghan—The submissions, where those lodging the submissions indicated they would be public, were made public. There was not a report from the department at all that was made public.

Senator SHERRY—So the outcome, conclusions and analysis are not publicly available?

Mr Callaghan—That is right.

Senator SHERRY—Can you take on notice to make it publicly available?

Mr Callaghan—Certainly.

Senator SHERRY—Thank you. Turning to the non-forestry management investment schemes, what has been the process here?

Mr Callaghan—I do not have the dates in front of me, but when there was an announcement in 2006, shortly after the budget, with the indication of the possible outline of a new regime for the forestry sector, it indicated that there would be ongoing review of the application to the non-forestry sector. When the announcement was made in December about the forestry sector, the government indicated that they would shortly be announcing their position on the non-forestry. An announcement was made on I think 9 February regarding the non-forestry.

Senator SHERRY—Was that review-analysis part of the same process as for forestry?

Mr Callaghan—There was a continuation of the discussions that went forward. In many respects, many of the major players in the forestry are also the major players in the non-forestry.

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Senator SHERRY—Yes, the same.

Mr Callaghan—So there is a continuation of it.

Senator SHERRY—Are the analysis and conclusions in respect of the non-forest management investment schemes part and parcel of that analysis in respect of forestry investment schemes?

Mr Callaghan—In the sense that, if you start from the basic principle of what the ATO was reconsidering in terms of the carrying on of the business which is the basis of the deduction, that is the starting point, and it is common. Then in terms of the two ultimate areas of where the investment is going, one into forestry, one into non-forestry, there are clear differences, as was indicated in the government's announcement of this.

Senator SHERRY—I understand there are differences, but in terms of the documentation are they one and the same documents?

Mr Callaghan—No, I do not think you could look at it like that. It is not saying that there is just a single document. There is a series of consultations, advices and considerations. There are different considerations dealing with the forestry sector, and then with the non-forestry sector, in the policy sense.

Senator SHERRY—Again, I just wanted to be clear about the documentation and whether it is effectively the same documentation covering both but related issues. But, in any event, can you take on notice to make public the documentation in respect of the non-forest managed investment schemes?

Answer:

The Government has announced the results of the review of the taxation treatment of forestry and non-forestry managed investment schemes on 21 December 2006 and 6 February 2007.