

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 29, 30 & 31 May 2007

Question: bet 16

Topic: Forestry Managed Investment Schemes – Level of Trading

Hansard Page: E7

Senator O'BRIEN asked:

In terms of the measure on page 15 of Budget Paper No. 2, did Treasury develop the secondary market model that is being used for the forestry managed investment schemes?

Mr Callaghan—There was extensive consultation with the industry in advising government on the secondary market trading scheme. Treasury undertook with the department of agriculture extensive consultation.

Senator O'BRIEN—There are amounts factored into the forward estimates on page 15. What level of activity in financial terms are those numbers based on?

Mr Brown—Again, they are based on mostly historical levels of investment into the industry. There has not actually been trading taking place so you have historical levels of investment as well as assumptions regarding the amount of trading that would take place once a trading regime has been allowed. That reflects the fact that the decision is to allow trading in respective interests in the industry.

Senator O'BRIEN—So what are the assumptions that are made on the level of trading?

Mr Brown—I would have to take that on notice. Off the top of my head, I cannot give you the exact figures.

Answer:

The estimates are based on historical levels of investment into the industry.