

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Estimates 22-23 October 2008

**Question: sbt 51**

**Topic: Unlimited Deposit Guarantee – Advice from RBA**

**Hansard Page: E34 – E35**

**Senator ABETZ asked:**

Senator ABETZ —The same question. Did you, Dr Henry, receive written advice from the RBA Governor, Glenn Stevens, last Friday dealing with the issue of the unlimited guarantee for bank deposits?

Dr Henry —Chair, I believe I have already answered the question.

Senator COONAN —Is it yes or no?

Senator ABETZ —It is either yes or no, whether you received a letter?

Dr Henry —Let me say what I said earlier. I will not go through the entirety of what I said earlier, but I received, I am sure, more than one piece of correspondence from the governor on that Friday.

Senator ABETZ —On this topic?

Dr Henry —I do not wish to divulge the content or the subject matter of discussions that have occurred between the governor and me on this matter or any matter. The particular subject matter that we have been discussing this morning concerns the formulation of policy advice to the government. I have never before in this committee gone through the details of considerations among officials in the formulation of policy advice to the government. When pressed to do so, I have on numerous occasions sought leave of the chair to take the question on notice in order that I have an opportunity to consult with the Treasurer and specifically to ask the Treasurer how he would propose that I best handle my responsibility in helping him to discharge his responsibilities to the parliament. If that is the only course available to me on this occasion, then that is what I will do. I will seek leave of the chair to afford me an opportunity to consult with the Treasurer to see whether there is any information that the Treasurer would wish me to provide to the committee in answer to this question.

Senator ABETZ —Chair, it is a technical device that is open to Dr Henry to take any question on notice, but I must say it is passing strange that you would have to take on notice whether or not you received a letter dealing with a particular topic. Could I invite you, Dr Henry, to do so during the lunch break so that we can canvass this immediately after lunch?

Dr Henry —As you know, senator, subject to the Treasurer's availability, I am happy to do so, but of course it is up to the Treasurer to decide—

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Senator Conroy —Questions taken on notice are required to be provided to the committee by a date which I am not sure that you have set yet; you normally set it at the end.

CHAIR —Yes, we have.

Senator Conroy —I am sure that the Treasurer will comply with the wishes of the committee.

Senator BRANDIS —Minister, surely given the sensitivity of this matter and what Dr Henry has himself just said, that he is willing subject to his availability to consult with the Treasurer at lunchtime, you will not stand on your rights and delay the response to a question taken on notice until the last possible date, surely not?

Senator Conroy —I am indicating the processes of the committee, first. It will be entirely in the Treasurer's hands whether the information is able to be provided before we resume. I would simply make the point that parliament is sitting; the Treasurer is not watching with bated breath our every word, I promise you.

Senator BRANDIS —I do not presume that for one moment.

Senator JOYCE —You know that is not true, Stephen. He is watching every minute of this, Senator Conroy.

Senator Conroy —I have known Wayne a long time and he has a very low boredom threshold, and he would have long passed into it by now.

Senator JOYCE —You do not do yourself justice, Senator Conroy.

Senator EGGLESTON —Madam Chair—

Senator ABETZ —So you can tell us what the Reserve Bank Governor said—

CHAIR —Sorry, Senator Eggleston has a point of order.

Senator Conroy —We have indicated if you want to press—

CHAIR —Minister!

Senator Conroy —You have not indicated whether you are going to press yet.

Senator ABETZ —Yes, we are.

CHAIR —Minister!

Senator Conroy —If you press it, then we will take it on notice.

CHAIR —Senator Eggleston has a point of order.

Senator EGGLESTON —Thank you, Madam Chair. I would simply call the attention of the committee to the fact that there are many precedents for information being sought from a minister during the course of estimates being provided within a very short time. The minister is well aware, I am sure, whether or not correspondence of the nature referred to was sent to the secretary, and I am sure that, given these precedents, this question can be answered by early this afternoon.

Senator Conroy —We have taken this—there is no point of order.

CHAIR —Actually, that is not a point of order.

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Senator Conroy —We have taken it on notice. Next question?

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Senator ABETZ —Just so that I can get it clear, I know I am slow but just so that I can get it clear, I want to know—

Senator Conroy —It is hard to run with no legs and arms.

Senator ABETZ —whether the Treasurer agreed that the secretary could advise this committee whether or not he had received a written communication from the Governor of the Reserve Bank on the issue of unlimited guarantee for bank deposits?

Dr Henry —The answer is that having consulted with the Treasurer I have nothing further to add to the answer that I gave to the committee this morning.

Senator ABETZ —I am sorry, I thought the purpose—

Senator Conroy —Which we had taken on notice.

Senator ABETZ —I thought the purpose of the consultation was as to whether or not you could advise this committee. Is that right—that the purpose of your discussion with the Treasurer was to ascertain whether or not—

Senator Conroy —We have taken the question on notice as we are allowed to under the standing orders and procedures quoted extensively by Senator Brandis, you, Senator Eggleston and the chair.

**Answer:**

We are unable to provide a response to this question, as it goes to the nature of policy deliberations of Government.