Australian Government

Department of Resources
Energy and Tourism

Industry House, 10 Binara Street
CANBERRA ACT 2601

GPO Box 1564
Canberra ACT 2601 Australia

Phone: +61 2 6213 6692
Facsimile: +61 2 6213 6657

Email: drew.clarke@ret.gov.au
Web: www.ret.gov.au

ABN: 46 252 861 927

Mr John Hawkins
Committee Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2601

Dear Mr Hawkins

Re: Supplementary Budget Estimates Hearings - October 2010 – Correction of Hansard

I refer to the Department of Resources, Energy and Tourism's (RET) appearances before the Senate Standing Committee on Economics at the Supplementary Budget Estimates Hearings on 21 October 2009 and the Additional Budget Estimates Hearings on 10-11 February 2010.

At the Supplementary Budget Estimates Hearings on 21 October 2009, I offered into evidence that RET had seconded an officer to the Henry Tax Review. Unfortunately, I was unaware that while RET worked closely with members of the Review, we did not second an officer to that team. My statement, although not intended to be misleading, was therefore inaccurate.

The Department recognises that Hansard is a formal transcript of proceedings and cannot be altered. As per current procedures, official witnesses review the transcript and provide corrections as appropriate. In most circumstances, those corrections relate to minor transcription adjustments which are passed on to the Committee Secretariat.

Subsequent to the Supplementary Budget Estimates Hearings, the Department advised the Economics Committee Secretary that my statement was inaccurate. Unfortunately the Hansard was incorrectly adjusted to reflect a change in evidence. We apologise for any role the Department played in this miscommunication.

We are aware that if a witness believes that they have omitted some relevant evidence a supplementary statement or official notification should be forwarded to the Committee Secretary for appropriate dissemination to the Committee. Our parliamentary officers are aware of these procedures and will ensure they communicate effectively with the Secretariat in future.

We ask that this correspondence be made available to Committee members, in particular Senator Minchin who raised the issue at the Additional Budget Estimates Hearings on 10 February 2010 (Hansard page E112 refers - see Attachment A).

If you require any further information in regard to this matter, please do not hesitate to contact Mr Heath Axelby, Manager, Parliamentary Services Team on 6243 7036.

Yours sincerely

Drew Clarke
Deputy Secretary

15 March 2010

ATTACHMENT A

Additional Budget Estimates Hearings
10 February 2010

Excerpt from page E112

Senator MINCHIN—I asked at the last estimates about the department's involvement in this review. I said I would like to know if you as a department had had any involvement in the Henry review. In the *Hansard* of that estimates—downloaded last year—Mr Clarke said, 'Yes, one of our officers from the resources division has been seconded to work in the secretariat and we have had a number of discussions' et cetera. I took that as confirmation that you have had an officer seconded. Interestingly, in the current *Hansard*, the reference to 'one of our officers from the resources division has been seconded to work in the secretariat' has gone. Fascinating. Could you explain to me the variance between the *Hansard* version, where it confirms, as I was witness to, the confirmation that one of your officers has been seconded and the absence of that from the current *Hansard*.

Mr Hartwell—I can attempt to answer that. When Mr Clarke gave that answer certainly he was aware that we had offered to second someone to the Henry tax review secretariat. As it turned out in the final outcome, while we on some issues did work closely with them, we did not actually second an officer.

Senator MINCHIN—Shouldn't the department have immediately informed the committee that the evidence given to the committee was incorrect rather than waiting for us to semi-discover it through a variance in the *Hansard*?

Mr Pierce—If you have the quote, possibly, Senator, but it was not just a simple case of our making an offer and that offer not being taken up. Alternative arrangements were made for an officer of this department to work on that tax review and provide input without a secondment. If we overlooked the transcript and were not as diligent in correcting it as we might have been I apologise for that.

Senator MINCHIN—It is a matter of the evidence given. I have the highest regard for Mr Clarke and it is no reflection on him at all, but if evidence is given to a committee—and it is significant if one of your officers was seconded to work on this review, which could well have very serious implications for the resources sector—and that evidence is then proved not to be accurate I think it is beholden on the department to inform the committee as soon as possible.

Mr Pierce—I accept that, Senator.

Senator MINCHIN—In the end, nobody was seconded. The review is complete, as I understand it. Exactly what was the nature of the relationship? Was it just responding to requests for information as required?

Mr Pierce—In the main, yes.

Mr Hartwell—Obviously when the Henry tax review secretariat were looking at the issues that would be relevant to the resources and energy sector, they came to us for advice in relation to various industry issues that are relevant to the resource and energy sector. Our knowledge of the sector was what they came to us for.

Senator MINCHIN—If I go too far, you will tell me to go and talk to Treasury. I accept this is a tax matter. There are questions about the constitutional basis for the application of such a tax onshore and whether or not it could replace royalties and there is speculation that it would. I presume you are not in a position to tell me whether the Commonwealth can stop the states collecting royalties in order to allow the Commonwealth to collect a resources rent tax.