

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 43

Topic: Clearing House Discussion Paper

Hansard Page: E46-47 (22/10/09)

Senator BUSHBY asked:

Senator BUSHBY—The clearing house discussion paper was released on 14 November 2008, with funding of \$16 million for a project that had been announced earlier in last year's budget. What is the outcome of that discussion paper?

Mr Parker—There has been a process of ongoing consultation, policy development and advice to government. I understand that the government is going to announce its position on that in the near term.

Senator BUSHBY—Are you able to inform me why it has taken so long to bring it to a conclusion, given that the government went into the last election with this as a clear promise?

Senator Sherry—In terms of an election promise, an election promise is delivered in this term. It is October and we are halfway through our term. I see the delivery, whenever the announcement is made by the government—presumably by my colleague Minister Bowen—as entirely consistent with our election commitment.

Senator BUSHBY—I am not saying it is not consistent. I am just interested in why it has taken two years in this particular case. Obviously some election commitments have been delivered more quickly and some may well be delivered in the next 12 months.

Senator Sherry—I can only reflect in terms of my own experience of the issue up until June. It is a very complex set of issues and we have discussed those on previous occasions. It is very important to get the model right.

Senator BUSHBY—It was indicated in the discussion paper that it would start in July of this year. Why did it not begin then?

Senator Sherry—I do not recall whether that date was committed to in the discussion paper.

Senator BUSHBY—It may well have been in your election promise. I am not sure. I have a note here that the start date was going to be July of this year.

Senator Sherry—I would have to refresh my memory, but I do not believe there was a specific date commitment. There was certainly a commitment within the term of this government. I am not sure about the discussion paper. As has been indicated by the officer, an announcement will be made in the next short while by the minister.

Senator BUSHBY—Have submitters to that paper process been informed of the review's progress?

Senator Sherry—I would have to take that on notice, unless the officers involved have further information.

Mr Parker—I will take that on notice.

Senator BUSHBY—I imagine you would need to take this on notice as well. Can you advise what the cost has been for the discussion paper and the follow-up consultation and review process?

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Senator Sherry—We will take that on notice.

Answer:

1. Have submitters to that paper process been informed of the review's progress?

Individuals and organisations who made submissions to the discussion paper *Superannuation Clearing House and Lost Members Framework* were sent an acknowledgement noting that their views would be taken into consideration as part of the consultation process for the paper.

On 6 November 2009, the Minister for Financial Services, Superannuation and Corporate Law announced the outcome of the Government's consideration of the implementation model for the clearing house measure (Media Release No.035).

2. Can you advise what the cost has been for the discussion paper and the follow-up consultation and review process?

Preparation of the discussion paper *Superannuation Clearing House and Lost Members Framework* and the subsequent examination of submissions to the paper were undertaken as part of Treasury's function of providing policy advice to the Government on superannuation matters. As such, the cost of these activities was met from within Treasury's existing departmental funding allocation and is not separately identifiable.