

Estimates Committee 2015
Questions Taken On Notice

(26/05/2015 to 4/06/2015)

Date: 26/05/2015 Output: Opening Statement
Sub Output:
Subject: ABS advice on the accounting treatment of MACA

From: Mr Michael Gunner to Hon David Tollner
Treasurer

Question: 2-1
Can the Treasurer provide a copy of the ABS advice on the accounting treatment of MACA?

Answer:
Answered On: 26/05/2015

Answer to Q2-1

Natasha Yuen

Committee: Economic
Paper No: 2-1 Date: 26/5/15
Submission No: Tullner
Signed: [Signature]

From: Tiziana Hucent
Sent: Tuesday, 26 May 2015 9:59 AM
To: Natasha Yuen
Subject: Classification query: NT Territory Insurance Office

From: Mary-Anne Stewart <mary-anne.stewart@abs.gov.au>
Date: 22 December 2014 11:33:16 am ACST
To: Dwayne Mcinnes <Dwayne.McInnes@nt.gov.au>
Cc: Craig Graham <Craig.Graham@nt.gov.au>, David Braines-Mead <David.Braines-Mead@nt.gov.au>, Joshua Donaghey <joshua.donaghey@abs.gov.au>, EAD-Public Finance WDB <EAD-Public_Finance_WDB@abs.gov.au>
Subject: RE: Classification query: NT Territory Insurance Office

Hi Dwayne,

Thanks for providing additional information on the NT Motor Accidents Compensation (MAC) scheme to assist the review of the institutional sector classification of the Territory Insurance Office.

As you've advised, after the banking and retail arms are sold off, the Territory Insurance Office will comprise only the Territory's compulsory MAC scheme. This is a no fault government underwritten scheme with compensation benefits defined in the Motor Accidents (Compensation) Act. The scheme is funded by contributions paid by motorists at the time of registering a motor vehicle.

The key factor used to determine whether the unit is a PFC (or PNFC) versus a GG unit is whether it is a market or non-market producer, ie whether it charges economically significant prices for its services.

After selling the banking and retail components, the Territory Insurance Office will be classified as a General Government (GG) unit. This is primarily because the MAC scheme is a compulsory scheme for all owners of registered motor vehicles. The consumers (registered vehicle owners) are not able to choose an alternative service provider on the basis of price, and the Territory Insurance Office does not compete with any other service providers. Therefore the price is not considered economically significant.

Feel free to contact me if you have any questions about this classification.


Happy holidays!

Regards,

Mary-Anne Stewart

Assistant Director
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 Dwayne Mcinnes ---22/12/2014 10:19:18 AM---Sorry Joshua and Mary-anne, could you please include David Braines-mead and Craig Graham in on your

From: Dwayne Mcinnes <Dwayne.McInnes@nt.gov.au>
To: Joshua Donaghey <joshua.donaghey@abs.gov.au>, David Braines-Mead <David.Braines-Mead@nt.gov.au>, Craig Graham <Craig.Graham@nt.gov.au>
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