



**Australian Government**  
**Department of Finance and Deregulation**

**David Tune PSM**  
**Secretary**

Our Ref: SEC0004647

Ms Christine McDonald  
Committee Secretary  
Senate Standing Committee on Finance  
and Public Administration  
Suite SG-60  
Parliament House  
CANBERRA ACT 2600

Dear Ms McDonald

I am writing with regard to evidence given by officials of the Department of Finance and Deregulation (Finance) at the Additional Estimates hearings of the Senate Standing Committee on Finance and Public Administration (the Committee) held on 22 February 2011.

Firstly, in my response to Senator the Hon Michael Ronaldson regarding a review of the financial position of the Australian War Memorial (Hansard page F&PA 14), I said that a redacted copy of my letter to the Secretary of the Department of Veterans' Affairs, Mr Ian Campbell PSM, had been released on the Finance website.

I have subsequently been advised that, while the redacted letter was released in response to a Freedom of Information request, it was not put on the Finance website. The redacted letter is now available on the website.

Secondly, Hansard page F&PA 31 records the following exchange:

**Senator CORMANN** – Would people like those in Kelmscott who were subject to bushfires be exempt from the flood tax?

**Mr Tune** – No, not necessarily. That is the government's –

**Senator CORMANN** – Why is that?

**Mr Tune** – The government's decision at the moment is that those who were subject to the floods are exempt from the levy. It would require another decision to alter that.

**Senator CORMANN** – Only if the natural disaster you were subject to was a flood will you be exempt from the flood tax? If it is any other natural disaster, you are not exempt at the moment?

**Mr Tune** – That is the situation as it stands at the moment.

On review of the Hansard, it is clear that my answer was incorrect. While the initial eligibility criteria for exemption from the flood levy was limited to those taxpayers who had received and Australian Government Disaster Recovery Payment (AGDRP) in relation to a flood event in 2010-11, the Government subsequently extended exemption to taxpayers who:

- received an Australian Government Disaster Recovery Payment (AGDRP) in relation to a disaster event in 2010-11;
- were affected by a declared disaster and meet at least one of the eligibility criteria for an Australian AGDRP, even if they have not received a payment; or
- were New Zealand special class visa holders who were technically ineligible for the AGDRP but who have received an ex-gratia natural disaster payment.

The Prime Minister, the Hon Julia Gillard MP, set out the revised exemption criteria in her second reading speech for the Income Tax Rates Amendment (Temporary Flood Reconstruction Levy) Bill 2011 on Thursday 10 February 2011 in the House of Representatives.

Finally, at Hansard page F&PA 61 in relation to questioning from Senator Scott Ludlam concerning the travel costs of parliamentarians and their staff, Ms Jan Mason stated:

It will not cover everybody. It will not cover the staff of the parliamentary departments—nor will it cover in detail MoPS Act employees. There are a couple of documents complementary to the one I referred to. One is the MoPS Act annual report, which does have aggregate travel costs for MoPS Act employees and for the personal staff of ministers. That information is included in a press release, which is released at roughly the same time that the six-monthly report is tabled in the parliament.

Following the hearing Ms Mason reviewed her evidence and would like to provide the following clarification:

With the introduction of the expanded tabling report in June 2010 on “Parliamentarians’ Expenditure on entitlements paid by the Department of Finance and Deregulation”, the media release referred to by Ms Mason is no longer issued.

I trust that this letter corrects the record.

Yours sincerely

David Tune  
1 March 2011