Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Supplementary Budget Estimates Hearing – October 2008

Department of Finance and Deregulation

Finance and Deregulation Portfolio

Outcome 1 - Sustainable Government Finances, Output 1.1.1 - Budget Advice

Topic: Mid-Year Economic and Fiscal Outlook

Question reference number: F28

Type of Question: Hansard, F&PA 100

Date set by the committee for the return of answer: 5 December 2008

Number of Pages:

Senator BRANDIS asked:

Does the fact that the government did not bother to release the 2007-08 MYEFO until nearly a year after the previous government released it not constitute a breach of section 14 of the Charter of Budget Honesty Act?

Answer:

Senator Bushby asked the same question of Senator Sherry (see Hansard, Wednesday 22 October, pages E82-E83).

Please refer to the answer from the Treasury to Senator Bushby responding to the question taken on notice on this matter.

F28 Attachment A

Senate Standing Committee on Economics ANSWERS TO QUESTIONS ON NOTICE

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Senate Finance & Public Administration Committee
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Question: sbt 63	MA MA ON	
	Cleared by Minister's Office:	
Topic: MYEFO 2007-08	Signature: Date:	
Hansard Page: E82-E83		
Senator BUSHBY asked:		

Senator BUSHBY —Can you confirm that the 2007-08 MYEFO was publicly

released on 15 October 2007?

Mr Ray —This was a matter that was discussed in Finance estimates yesterday. I

Mr Ray —This was a matter that was discussed in Finance estimates yesterday. I probably should have checked the date to be able to answer you. I think our Finance colleagues said yesterday that it was around that time. It is a matter of public record when it was published.

Senator BUSHBY —Can you confirm that the 2007-08 MYEFO was tabled on 2 September 2008?

Mr Ray -I do not know that I can.

Dr Gruen —Did you say 2008?

Senator BUSHBY -Yes.

Mr Ray —MYEFO would not have been tabled in September of 2008.

Senator BUSHBY —Because it is in breach of the Charter of Budget Honesty Act?

Mr Ray —I cannot confirm that. I can check it. Again, it is a matter of public record.

Senator BUSHBY —It is a matter of public record and I would like to suggest today that in fact it was tabled on 2 September 2008. Are you aware of section 14 of the Charter of Budget Honesty Act?

Mr Ray —Yes.

Senator BUSHBY —I will read the relevant section. Subsection (1) states:

The Treasurer is to publicly release and table a mid-year economic and fiscal outlook report by the end of January in each year, or within six months after the last budget, whichever is later.

Is that in accordance with your recollection?

Mr Ray —That is my understanding of the section.

Senator BUSHBY —Assuming that my assurance that it was tabled on 2 September 2008 is correct, does the fact that the government did not bother to table the 2007-08 MYEFO until nearly a year after the previous government released it constitute a breach of the act?

Mr Ray —You are asking me for a legal opinion.

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Senator BUSHBY —The act states that it needs to be tabled by the end of January in each year or within six months after the last budget, the last budget in this case being the budget from 2007. Does it appear to you that it has complied with the terms of that act?

Senator Sherry —We will get some advice about that. I will take it on notice. The issue was raised with Finance.

Senator BUSHBY —Given that this government has a record of dithering or possibly even breaching of the act—

Senator Sherry —Dithering? We have been quizzed up hill and down dale about the decisive actions we have been taking over the last month or two.

Senator BUSHBY —Let me preface this question: given when it comes to MYEFO this government has a record of dithering or possibly even breaching the relevant act and the Charter of Budget Honesty, what comfort should Australians take in the government's claims that this year's MYEFO will be released within the next month?

Senator Sherry —I am familiar with the question, because Senator Brandis couched it in the same politically colourful wrapping. I did not get a chance to respond, but we will take it on notice and take some advice about the interpretation you have placed on the particular clause in the act. As for the political commentary, I will resist the temptation because I know time is pressing.

Answer:

The Charter of Budget Honesty Act (1998) outlines the timeframe to which the Mid Year Economic and Fiscal Outlook (MYEFO) should be published. The relevant section outlines this timeframe as follows;

Clause 14: Public release and tabling of mid-year-economic and fiscal outlook reports

- (1) The Treasurer is to publicly release and table a mid-year economic and fiscal outlook report by the end of January in each year, or within 6 months after the last budget, whichever is the later.
- (2) If:
- (a) a mid-year economic and fiscal outlook report is publicly released by the end of the period specified in subclause (1); But
- (b) a House of the Parliament is not sitting when the report is released; The report does not have to be tabled in that House until it next sits (or as soon as practicable after then), even if that is after the end of the specified period.

The 2007-08 MYEFO was publicly released by the then Treasurer, the Hon Peter Costello MP, on 15 October 2007. The 2007-08 MYEFO was tabled in Parliament on 2 September 2008.