

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

13 – 14 February 2013

Question: AET 48

Topic: Structural Saves

Hansard Page: Page 55-56, 14 February 2013

Senator CORMANN asked:

Senator CORMANN: ...Now, just going to the structural saves: the Treasurer, in his speech to G'Day USA, asserted \$250 billion of structural save. Is Treasury able to provide us with an exhaustive list of the \$250 billion of structural saves that the government asserts they have made?

Mr Ray: I thought that Minister Wong had actually answered a question on notice on this.

Senator Wong: Yes, I did.

Mr Ray: I have not got it with me.

Senator CORMANN: I am not aware that we have ever seen a breakdown of these structural savings.

Senator Wong: I suspect a number of them are ones you have opposed, Senator.

Mr Ray: I am happy to take it on notice.

Senator CORMANN: But just to be clear, though—this is a quote from the Treasurer. The Treasurer says: 'The structural savings we've made will deliver cumulative savings to the budget of over a quarter of a trillion dollars by 2020-21.' The information we expect back from Treasury is the detail of \$250 billion worth of structural savings to 2020-21.

Mr Ray: I understand, and if the Treasurer said it, it would be correct, so we will take it on notice to provide the information.

Senator CORMANN: I would not be so sure. Now of this list—

Senator Wong: Sorry. I was just trying to find the box on MYEFO which included some of the savings, Senator. It was box 3.1 which included the increase in the pension age; the reforms to the family payment system—which you described as class warfare; means testing of the private health rebate, which you are intending to repeal and you oppose; reforms to personal tax offsets, the FBT, and superannuation concessional contributions, which you are also opposing; and means testing for aged care recipients, which I think you have also opposed. I suppose that means you are in a pretty difficult structural position going forward.

Senator CORMANN: Does that add up to \$250 billion, Minister?

Senator Wong: This does say 'the most significant of these savings', so I assume this is a set of examples.

Mr Ray: What it does do is it says the difference in the net debt position would be over \$250 billion in 2020-21 without those savings.

Senator CORMANN: So could we please have the entire list, with dollar figures next to each item—

Mr Ray: Yes. I understand what you are asking for.

Senator CORMANN: and of that \$250 billion of asserted structural saves, how many of them are revenue measures and how many of them are actual spending cuts?

Mr Ray: You would like those measures split between revenue and expenses. Sure.

Senator CORMANN: So are you going to provide that on notice? Is that what you are committing to?

Mr Ray: Yes. I will take it on notice.

Senator CORMANN: Thank you for that.

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Answer:

The savings calculations were published in the Treasurer's *Economic Note* of 21 October 2012.