

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Supplementary Budget Estimates
2014 - 2015

Department/Agency: Treasury

Question: SBT 4264

Topic: Paid Parental Leave - cost of scheme and state contribution

Reference: Hansard page no. 19-21 - 22 October 2014

Senator: Wong, Penny

Question:

Senator WONG: Mr Ray or Ms Croke, I think the evidence has previously been that the estimated cost of the PPL scheme is in the contingency reserve?

Mr Ray: That is correct.

Senator WONG: Can I ask you: what is the amount that is provisioned?

Mr Ray: You can ask me that. I can take it on notice.

Senator WONG: It is sort of like a game, a dance. I am surprised, Senator Fifield, why the government continues to want to hide the cost of this scheme.

Senator Fifield: I do not think we are endeavouring to hide anything, Senator Wong.

Senator WONG: Tell us what it is.

Senator Fifield: I think officers have made that clear.

Senator WONG: I am asking you, as the minister: why will the government not make public the cost of the PPL scheme?

Senator Fifield: I am endeavouring to answer your question. As has been made clear, there are still design, implementation and administrative details being worked out. Once those are worked out then the government will be in a position to indicate cost. Officers have sought to be as helpful as they possibly can be—

Senator WONG: They have been helpful. You are just not helpful.

Senator Fifield: in an area where the prime policy responsibility is with the Social Services portfolio and some of the key intergovernmental discussions are taking place under the auspices of the Department of the Prime Minister and Cabinet. At this stage it is probably difficult for officers to go any further. There will probably be a need to refer it to the Department of the Prime Minister and Cabinet and also the Social Services portfolio.

...

Senator WONG: In terms of the CR provision which you have taken on notice, Mr Ray, what I am interested in is what broad assumptions were made as to the state component. Was it assumed that the states would pick up their existing share?

Mr Ray: Anything that goes to the detail of what is in—

Senator WONG: It is not detail. It is a broad assumption.

Mr Ray: the contingency reserve, we would need to take on notice.

Senator WONG: It is a pretty important point. If you did not assume the states would pay their share—

Mr Ray: We do not do the costing.

Senator WONG: Does the provision in the contingency reserve assume the states will pay their share or not?

Mr Ray: I have taken on notice what is in the contingency reserve. I am happy to take on notice how that has been calculated and refer it to the relevant agencies. As you know, it is not Treasury's—

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Senator WONG: But you are the fiscal group in Treasury.

Mr Ray: We are.

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Senator WONG: Thank you for that lengthy answer. I am not asking any question like that. What I am asking is whether or not what is provided for in the Commonwealth's budget bottom line assumes that the states will pay their share of the PPL or not.

Mr Ray: What you are asking, Senator, is how the number that was put in the contingency reserve was calculated. I am happy to take it—

Senator WONG: I am not even asking that.

Mr Ray: Well, you are asking for an element of that.

Senator WONG: I am only asking whether you assumed any contribution by the states of the cost of the PPL.

Mr Ray: We did not do the costing.

Senator WONG: You would know that, Mr Ray.

Mr Ray: We did not do the costing.

Senator WONG: Mr Ray, you would know that.

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

Senator WONG: Minister, you can have a think about this. Are you seriously going to say we did not assume that the states would pay their share? Politically, you should at least say, 'We assumed the states should pay their share'; otherwise you have another hit on the budget, potentially.

CHAIR: Minister, just before you answer—

Senator WONG: I do not think he knows what the answer is.

CHAIR: Just before you answer, Senator Wong, we did broadly agree that we would stick to the time frame.

Senator WONG: I have more questions.

CHAIR: You have more?

Senator WONG: Yes. I will try and whip through them.

CHAIR: That is all right. Minister?

Senator Fifield: Thank you, Chair. The job of the Treasury is not to give an account for decisions and assumptions in other portfolio areas.

Senator WONG: Okay. Take it on notice, Mr Ray: at the highest level is there any assumption of state contribution in terms of the provision in CR?

Mr Ray: I have taken it on notice.

Senator WONG: Thank you.

Answer:

The Contingency Reserve, at the 2014-15 Budget contained a provision for the cost of the Paid Parental Leave scheme on the basis of a reduction of the payment threshold from \$150,000 to \$100,000 per annum (2014-15 Budget, Statement 6 page 6-47).