

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates 24-28 February 2014

**Prime Minister and Cabinet Portfolio**

**Department/Agency:** Department of the Prime Minister and Cabinet

**Outcome/Program:** 1.1 Prime Minister and Cabinet

**Topic:** MJD Foundation

**Senator:** Senator Bridget McKenzie

**Question reference number:** 102

**Type of Question:** FPA, Friday 28 February 2014, page 14 & 15

**Date set by the committee for the return of answer:** 11 April 2014

**Number of pages:** 2

**Question:**

Senator McKENZIE: According to the foundation's annual report, it has more than \$8 million in assets, including \$6 million in the bank, which we canvassed earlier. How much interest has the foundation earned from the previous \$6 million grant, and what did it spend the interest on?

Ms Carroll: We would need to take that detail on notice.

Senator McKENZIE: And could you also go to the proportion of that that was spent on salaries?

Ms Carroll: I will find out what is available to us, or on the public record.

Senator McKENZIE: How much did the foundation propose to spend on salaries from the \$10 million grant in 2013?

Ms Carroll: We do not have with us the details of what was in the application, so we can take it on notice. But we would not normally disclose those specific details without going back to the organisation to check, just as we have mentioned before around some of the other things. So we will endeavour to get what is possible.

**Answer:**

The terms of the \$6 million MJD Foundation (MJDF) grant set by the former minister for Indigenous affairs included that earnings from the Aboriginals Benefit Account "Consolidation Grant" investment are to be used solely to fund the operational expenses of the MJDF and its work. Operational expenses include wages and salaries, travel, marketing and report publication, insurances and legal fees.

From the Department of the Prime Minister and Cabinet's (PM&C) examination of MJDF's audited financial statements, our estimate of the interest earned is reported below. PM&C is not able to determine from the published audited statements detail as to how the interest was expended.

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The proportion of interest expended on salaries is not known.

MJDF provided PM&C with estimated expenditure figures over three years based on receiving total funding of \$16 million, with total proposed salary-related expenditure of approximately \$350,000 in 2013-14.

|  | <b>2010-11</b> | <b>2011-12</b> | <b>2012-13</b> |
|--|----------------|----------------|----------------|
| Interest earned on<br>\$6 million grant              | \$195,093      | \$330,298      | \$393,703      |
| Expenditure total<br>(based on<br>\$6 million grant) | \$4,005        | \$42,611       | \$289,189      |