

## Standing Committee on Finance and Public Administration

### ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2010  
Department of Finance and Deregulation  
Finance and Deregulation Portfolio

#### Outcome 1, Program 1.1

#### Topic: Savings

Question reference number: F22

Type of Question: Hansard F&PA 57, 26 May 2010

Date set by the committee for the return of answer: 9 July 2010

Number of Pages: 2

Senator Ryan asked:

**Senator RYAN**—That was a year ago. In February of this year, to provide an apparent saving, you actually outline a savings measure of which one-third of it has been unwound only a year later. How can \$98.6 million be listed as a saving when the following year the very same item was increased by \$34.2 million? Net you would only have \$64.4 million less being spent on the number of ministerial and opposition staff.

**Mr Tune**—We will have to check whether in fact we have netted it off somewhere.

**Senator RYAN**—Even if it has been offset somewhere else in the budget, Mr Tune, I would suggest that at the very least it would require a footnote explaining that, while it says a \$98.6 million saving has been made, the very same item number had a \$34 million increase the following year—so within the period that you have outlined the saving.

**Mr Tune**—I understand what you are saying. I think we just need to check it.

**Senator RYAN**—I would also ask you to check whether any other items on this savings list have similar issues, where adjustments have been made that would otherwise indicate that this answer provided only three months ago conveys a somewhat misleading impression upon the savings measure on that item.

**Mr Tune**—Yes, we will do that.

#### Answer:

Finance notes that the 2009-10 expense measure *Ministerial and Opposition Staff – additional positions* (2009-10 Budget Paper 2, page 250) partially reduces the value of savings provided by the earlier savings measure *Responsible Economic Management – Ministerial and Opposition Staff – 30 per cent reduction* (2008-09 Budget Paper 2, page 355) quoted in the response to QoN F18 of 9 February 2010.

The original savings measure *Responsible Economic Management – Ministerial and Opposition Staff – 30 per cent reduction* provided savings of \$98.6 million over the period 2007-08 to 2010-11. The subsequent measure *Ministerial and Opposition Staff – additional positions* increased funding by \$16.2 million over this period. When

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considered together, funding for Ministerial staffing was reduced by \$82.4 million over the period 2007-08 to 2010-11 through these measures.

Finance is aware of two further instances where new measures have directly affected the prior savings measures outlined in QoN F18 of 9 February 2010. The first of these is the reinstatement of tax deductibility of political donations for individuals (both businesses and individuals were not able to deduct political donations under the initial savings measure). The original measure produced revenue of \$31.4 million over the period 2009-10 to 2011-12 (2008-09 Budget Paper 2, page 15). When considered together with the more recent measure (2009-10 Mid Year Economic and Fiscal Outlook, page 144), the net total revenue produced is \$11.1 million over 2009-10 to 2011-12.

The second instance is the additional savings achieved through the decision to terminate the Greenhouse Gas Abatement Program (2009-10 Budget Paper 2, page 197). The original measure produced savings of \$4.6 million over the period 2007-08 to 2011-12 (2008-09 Budget Paper 2, page 351). When considered together with the more recent measure (2009-10 Budget Paper 2, page 197) the net total savings produced is \$5.9 million over 2007-08 to 2011-12.