



Australian Government
Department of Finance and Deregulation

Acting Secretary

Our Ref: SEC0005210

Ms Christine McDonald
Secretary
Senate Finance and Public Administration Committee
Parliament House
CANBERRA ACT 2600

Dear Ms McDonald

I am writing to provide clarification of and further information relating to evidence given by the Secretary of the Department of Finance and Deregulation, Mr David Tune PSM, during the Budget Estimates Hearings of the Senate Finance and Public Administration Committee on Wednesday 25 May 2011. Mr Tune is currently on leave but has been consulted in the preparation of this letter.

Firstly, on page 104 of the Hansard proof, Senator Cormann asked about the published estimates variation of \$825 million.

I would like to confirm that the figure of \$825 million is the cost for processing irregular maritime arrivals for the period 2011-12 to 2013-14. As noted by Mr Tune, this figure excludes \$130 million in 2011-12 for the operating costs of an offshore processing centre. There are also additional operating costs for the processing centre for 2012-13 onwards; these are included under Community and Detention Services in Program 4.3 as set out in the Immigration and Citizenship Portfolio Budget Statements 2011-12.

Secondly, on page 119 of the Hansard proof, Senator Moore asked in relation to the efficiency dividend:

“Who has the delegation for making the decision? Does the head of the agency have it or does it have to come back through your portfolio or the minister to have that clarified?”

The process for the 2011-12 Budget was for portfolio ministers to write to the Minister for Finance and Deregulation seeking approval of any proposed reallocations. From 2012-13 onwards, the process is for the requests to be made in Portfolio Budget Submissions for consideration by the Expenditure Review Committee of Cabinet.

Finally, on page 118 of the Hansard proof, Mr Tune said in relation to the efficiency dividend:

“If you make a worst-case assumption that all of the extra 2.25 over those two years...”

Mr Tune was referring to the additional amount of the efficiency dividend over two years on top of the existing 1.25 per cent. This additional amount is 0.5 per cent, or 0.25 per cent per year over two years, not 2.25 as recorded.

Yours sincerely

David Martine
30 June 2011