

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 1310-1311

Topic: Costings for the Australian Greens and Independents

Hansard Page: Written (received from Committee – 13 June 2012)

Senator BUSHBY asked:

1310. Provide an update of how many costings the Department has undertaken for the Australian Greens, please include:

- a) How are costings requests commissioned?
- b) What costings have been undertaken? Provide details and a copy of each costings.
- c) Have any costings request been unable to proceed? If yes, provided details included details of what the costings were and why it could not be costed.
- d) How long is spent undertaken costings for the Australian Greens? How many staff are involved and how many hours? Provide a breakdown for each employment classification.

1311. Provide an update of how many costings the Department has undertaken for the Independents, please include:

- a) How are costings requests undertaken? Provide details.
- b) What costings have been undertaken? Provide details and a copy of each costings, including which Independent requested the costing.
- c) Have any costings request been unable to proceed? If yes, provided details included details of what the costings were and why it could not be costed and who requested the costing.
- d) How long is spent undertaken costings for the Independents? How many staff are involved and how many hours? Provide a breakdown for each employment classification.

Answer:

1310.

Treasury has undertaken 14 costings of revenue proposals submitted by the Australian Greens since the 2010 Federal Election, up until 13 June 2012.

a) The Government has entered into an agreement with the Australian Greens which enables the Greens to request policy costings be undertaken. An excerpt of the agreement, which is published on the ALP website at the following address, is provided below.

<http://www.alp.org.au/getattachment/255f5397-f9da-41c8-97c3-72287595d2eb/government-agreements/>

f) Should Senator Brown, Mr Bandt and other Greens Senators with portfolios, wish to propose new policies, these proposals may be formally submitted to the Office of the

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Prime Minister and forwarded to the appropriate Department and Minister for analysis. Where the proposal is likely to involve costs, it may also be sent to the Department of Treasury, and the Treasurer, and the Department of Finance and Deregulation, and the Minister for Finance, for costing.

- i. The number of proposals that may be considered in this way is not limited in number but the Parties will ensure that the workload arising is reasonable.
- ii. Every endeavour will be made to provide required advice within ten business days.
- iii. The Parties acknowledge that during the six week period leading up to the Federal Budget, the turnaround time may be greater than ten business days.

b)

2 costings of Greens proposals have been released by Treasury. These are attached.

In addition, there has been a recent FOI request for the release of Treasury costings of Greens proposals since the 2010 Federal Election. As is usual practice, costings previously released publicly, including under FOI, are considered out of scope of the request. This left 12 costings to be considered. A decision was taken that these 12 costings were exempt in full under s34 (Cabinet documents) and/or s47C (Deliberative processes) of the FOI Act. Subsequently, the applicant requested the Office of the Australian Information Commissioner (OAIC) review the decision.

Treasury is in the process of reviewing the decision and has advised the OAIC that it will substitute the decision, likely resulting in greater access. As per Treasury practice, any additional documentation found not to be exempt under the Act will be released publicly on the Treasury website.

c)

Nil for the relevant period.

d)

As any costings undertaken by Treasury at the request of the Government are integrated into Treasury's usual costing processes, no records are kept on resources used or time spent on these specific items. However, resources devoted to costing policy ideas that may have originated from the Greens or Independents are marginal.

1311.

Treasury has undertaken 2 revenue costings for the Independents since the 2010 Federal Election, up until 13 June 2012. We have received three costing requests (see answer to c).

a) The Government has entered into an agreement with Independent Members which enables the Independents to request policy costings be undertaken. An excerpt of the agreement, which is published on the ALP website at the following address, is provided below.

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<http://www.alp.org.au/getattachment/293a73cf-a0d7-46b4-a3ea-7ab7a3773f8f/government-agreements/>

- e) Should the Independent Members wish to propose new policies, these proposals may be formally submitted to the Office of the Prime Minister and forwarded to the appropriate Department and Minister for analysis. Where the proposal is likely to involve costs, it may also be sent to the Department of Treasury, and the Treasurer, and the Department of Finance and Deregulation, and the Minister for Finance, for costing.
- i. The number of proposals that may be considered in this way is not limited in number but the Parties will ensure that the workload arising is reasonable
 - ii. Every endeavour will be made to provide required advice within ten business days
 - iii. The Parties acknowledge that during the six week period leading up to the Federal Budget, the turnaround time may be greater than ten business days.

b)

Costing of one policy went to Cabinet and would therefore be exempt from release under s34 of the FOI Act. Costing of one policy is released (attached).

c)

In the case of one costing request, the response was qualitative and descriptive on the general issues raised. This was due to the breadth of issues raised and the short time period that was given to complete the costing.

d)

As any costings undertaken by Treasury at the request of the Government are integrated into Treasury's usual costing processes, no records are kept on resources used or time spent on these specific items. However, resources devoted to costing policy ideas that may have originated from the Greens or Independents are marginal.

Attachments

1310 b) Two Greens costings were released under FOI on 3 November 2011 and are available on the Treasury website.

- Forestry Managed Investment Schemes
- Reintroduction of indexation of the fuel excise

1311 b)

- Tax deduction for entertaining in restaurants