

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Productivity Commission

Question: BET 26

Topic: Redundancy Funding

Reference: Hansard pg 56, 4 June 2014

Senator: Bushby

Question:

26. CHAIR: Senator Bishop asked a few of the questions that I was going to ask around the pension age and things, and did a good job of getting some of the facts of that out. I will, instead, ask some questions about redundancy funding. I understand your agency sought to apply for redundancy funding. Is that correct?

Mr Harris: 'Sought to apply'; we certainly have received some support.

Mr Quinlivan: Yes, Senator, we received \$2 million to be used against redundancies.

CHAIR: That was to address budgetary pressures, I assume? There is quite clear criteria.

Mr Quinlivan: It was to address budget issues associated, specifically, with redundancies in this financial year.

CHAIR: That was what the redundancy funding was for. What was the need for the redundancies?

Mr Quinlivan: Reducing appropriations over time and, principally for this year, preparations for appropriations in following years.

CHAIR: My understanding is that the redundancy funds are Finance provided. That was in MYEFO. Is that correct?

Mr Quinlivan: That is right.

CHAIR: They were intended to facilitate savings decisions affecting government agencies—which would include you—operations made by the previous government. It was quite specific that the money provided for redundancies was only available to assist and facilitate decisions consequent of the previous government.

Mr Quinlivan: I would have to take that precise detail on notice. I do not have the documentation here with me. There was a cumulative impact of a range of decisions made some time ago, and some made more recently. Precisely where they fell as against the previous and new government, I am not sure.

CHAIR: As I say, my understanding from reading MYEFO is that the money for redundancy funding was only available for job losses arising from Labor savings measures. To what extent did your agency meet the relevant criteria for applying for that funding? I understand it included criteria such as facing risk of operating loss, threat to core functions and/or capacity to finance up-front redundancy payouts.

Mr Quinlivan: We were certainly budgeting for an operating loss this year mainly because of the additional redundancy expense.

CHAIR: This was of the time of MYEFO?

Mr Quinlivan: That is right.

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Answer:

26. The amount included in 2013-14 Appropriation Act 1 for the Productivity Commission was \$38.233m. The amount included in 2014-15 Appropriation Act 1 is \$34.118m. The main measures contributing to this reduction are shown on page 341 of the 2014-15 Treasury Portfolio Budget Statements. To assist in adjusting to a lower funding level, the Government agreed during 2013-14 that up to \$2m of the 2013-14 appropriation could be used to fund a redundancy program.