

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

23 – 24 February 2011

Question: AET 19

Topic: Proposed Cuts

Hansard Page: E 31

Senator Cormann asked:

Senator CORMANN—Thank you. The government has now reversed, of course, some of its proposed cuts in order to get support from either key House of Representative members or key senators in these sorts of negotiations. There is a hundred million dollars from the Solar Flagship program in the forward estimates and \$264 million for the National Rental Affordability Scheme. Have you identified alternative savings to replace these spending cuts or these spending cuts that have been reversed?

Dr Henry—Not to my knowledge. These would be matters for Fiscal Group, who will be appearing before you later, or alternatively, of course, the department of finance.

Senator CORMANN—Fair enough. The advice we have had from the finance department is that there is still uncertainty as to what the actual exposure of the Commonwealth is going to be. If the bill ends up being more than the \$5.6 billion or whatever that has been talked about, would any further increase in that bill be funded through the levy/increase in income tax or through spending cuts?

Dr Henry—That is a question for the Treasurer.

Senator Sherry—It is a hypothetical, but I will take the hypothetical on notice and see whether the Treasurer wants to respond.

Answer:

The Treasurer has addressed the issue of offsets for the cost of the floods in Statement 3 of Budget Paper 1 of the 2011-12 Budget.