



Australian Government

Department of Finance and Administration



Reference: 2006/02
Contact: Dominic Staun
Telephone: 6215 3518
e-mail: dominic.staun@finance.gov.au

Mr Alistair Sands
Committee Secretary
Senate Finance and Public Administration Legislation Committee
Department of the Senate
Parliament House
Canberra ACT 2600

Dear Mr Sands

Estimate Hearings of 14 February 2006 – Correction to Response

I am writing to you to correct evidence I provided to Senator Sherry during the appearance of the Department of Finance and Administration (Finance) at the 14 February 2006 Hearings of the Senate Finance and Public Administration Legislation Committee.

Senator Sherry asked a question on variations to the Budget through 2003-04 and 2004-05. The question appears on page F&PA 3 proof Hansard for 14 February 2006.

It was my understanding at the time, that the answers I provided were correct. However, my attention has since been drawn to the possibility that the answers I provided were not correct. I have since checked the calculations behind my answers and would now like to correct my evidence.

In my first answer, I stated that taking 2003-04, the first variance of 9.69% represented \$670 million. This is incorrect for two reasons; firstly, this figure includes Policy and Economic Parameter variations whereas the percent variance to Final Budget Outcome excludes Policy and Economic Parameter variations; secondly, this figure is calculated as the variance from Budget Paper No. 1 2002-03 to Budget Paper No. 1 2003-04, whereas the percent variance is calculated as the variance from Budget Paper No. 1 2002-03 to the 2003-04 Final Budget Outcome. Hence, whilst the variance of 9.6% is correct, the actual net change was \$442 million, not \$670 million as stated.

In my second response, I quoted figures of \$123 million and \$823 million respectively. For the same reasons as above, the appropriate figures are \$276 million and \$372 million.

Finally for 2004-05, I spoke of changes of \$267 million and \$1.288 billion. Again, for the same reasons outlined above, the correct figures are \$1.200 billion and \$748 million respectively.

As part of my explanation for these variances, for 2003, I stated that a major component of the variation was superannuation choice. Later in the hearings, Senator Sherry specifically asked a question of Ms Doran (page F&PA 4) regarding the implementation of superannuation choice. Finance is responding to that question as a Question on Notice (QoN-F1).

I would appreciate that you bring this matter to the attention of the Committee. If you have any queries or require further clarification on this matter, please do not hesitate to contact me on 02 6215 3518.

Yours sincerely



Dominic Staun
General Manager
Financial & e-Solutions Group

14 March 2006