

**Senate Standing Committee on Finance and Public Administration**

**ANSWERS TO QUESTIONS ON NOTICE**

**Prime Minister and Cabinet Portfolio**

**Department of the Prime Minister and Cabinet**

Additional Estimates 23-27 February 2009

**Question: PM40a-g**

**Outcome 1, Output 1**

**Topic: Updated Economic and Fiscal Outlook (UEFO)**

**Hansard Page: Written Question**

**Date set by the committee for the return of answer: 9 April**

**Senator Fifield asked: Reference *Appendix A: Policy decisions taken since the 2008-09 MYEFO* in the recently released Updated Economic and Fiscal Outlook (UEFO) located on page 50.**

**It states over \$11 billion in the forward estimates to 2011-12 will be spent on “additional funding”.**

- a) Please outline in detail how this \$11 billion of “additional funding” will be used? Is it part of the \$15 billion COAG announcement of last December? Please outline the breakdown in funding.**

COAG announced at its meeting of 29 November 2008 that funding of \$15.2 billion over five years (\$11.1 billion over four years) would be provided for the COAG reform agenda. This includes an additional \$7.1 billion in funding, over five years, to the states and territories for National Agreements in the areas of health, schools, skills and workforce development, affordable housing and disability services.

\$8.0 billion will be provided to states and territories, over five years, for National Partnership Agreements. Below is a breakdown of the funding package:

<b>Budget Impact of the COAG funding package (fiscal balance) (\$m)</b>							
<b>As at UEFO</b>							
	2008-09	2009-10	2010-11	2011-12	2012-13	4 year total	5 year total
Business regulation and Competition NP	100	-	-	200	250	300	550
Digital Education Revolution (government schools) NP	522	-	-	-	-	522	522
Digital Education Revolution (non-government schools) NP	285	-	-	-	-	285	285
Early Childhood Reform NP (a)	-	-	-	-	-	-	-
E-Health NP	-	29	39	41	-	109	109
Homelessness	-	75	105	110	110	290	400
Hospital and Health Workforce Reform NP	1,286	166	295	380	376	2,127	2,503
Indigenous Economic Development NP	15	40	40	39	39	133	173
Indigenous Health NP	-	83	157	248	318	487	805
Indigenous Housing NP	400	60	16	174	184	650	835

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Indigenous Remote Service Delivery NP	24	31	32	33	33	121	154
National Affordable Housing SPP	-	1	7	15	23	24	46
National Disability Services SPP	70	23	71	101	143	265	408
National Healthcare SPP	500	674	914	1,191	1,500	3,279	4,779
National Schools SPP	61	175	210	266	333	713	1,045
National Skills and Workforce Development SPP	-	4	10	11	11	25	37
Preventive Health NP	-	18	67	145	218	230	448
Productivity Places Program NP (a)	-	-	-	-	-	-	-
Smarter Schools - Improving Teacher Quality NP	22	40	60	244	185	365	550
Smarter Schools - Literacy and Numeracy NP (a)	-	-	-	-	-	-	-
Smarter Schools - Low Socio-Economic Status School Communities NP	11	152	205	375	364	743	1,107
Social Housing NP	200	200	-	-	-	400	400
TAFE Fee Waivers for Childcare Qualifications	4	4	-	-	-	8	8
Trade Training Centres in Schools	-	-	-	-	-	-	-
<b>Total</b>	<b>3,501</b>	<b>1,776</b>	<b>2,228</b>	<b>3,573</b>	<b>4,086</b>	<b>11,078</b>	<b>15,164</b>

Please note totals may not add due to rounding.

(a) Funding already in Commonwealth forward estimates

**b) Please outline the staffing arrangements of the COAG Unit within the Department of Prime Minister & Cabinet in terms of size, cost and the role, if any of State and Territory Government staff**

The COAG Unit within the Department of the Prime Minister and Cabinet is funded for an average staffing level (ASL) of 14. In 2008-09 the budget allocation for the COAG Unit is \$1.7 million. Currently, the COAG Unit is led by one SES Band 1 officer. It comprises three sections each led by an EL2 officer. The Unit has 6.2 x EL1 positions, 0.2 of an APS 6 position, 2.5 x APS 5 positions and 0.2 of an APS 4 position.

There are no state or territory staff attached to the COAG Unit.

**c) How many members of the public service have been allocated to the many new COAG advisory committees and groups that have been established since November 2007?**

The COAG reform agenda has been carried forward by seven COAG working groups addressing Health and Ageing; the Productivity Agenda; Housing; Business Regulation and Competition (BRCWG); Infrastructure; Climate Change and Water; and Indigenous Reform.

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The Community and Disability Services Ministers' Conference addressed reform in the area of Disability Services, while the Ministerial Council for Commonwealth-State Financial Relations had responsibility for changing the nature of Commonwealth-State funding arrangements by agreeing to focus more on outputs and outcomes, underpinned by a commitment from the Commonwealth Government to provide incentive payments to drive reforms.

Each working group is chaired by a Commonwealth Minister, except in the case of the BRCWG where chairing responsibilities have been shared by the Minister for Finance and Deregulation and the Minister Assisting him. Deputy chairs are officials from state and territory central agencies.

Working groups comprise officials from all jurisdictions, including one from the Department of the Prime Minister and Cabinet, one from the Commonwealth Treasury and representatives of relevant Commonwealth line agencies.

Each working group is supported by a secretariat within the relevant Commonwealth Department. The secretariats undertake a range of policy and administrative functions to support working groups as well as the chairs of the working groups.

Several working groups have established sub-groups comprising Commonwealth and state and territory officials, to undertake streams of work arising from the COAG reform agenda. These groups were established for varying times depending on the specific terms of reference for the groups.

It is not possible to provide a precise figure for the number of public service staff with responsibilities related to the COAG reform agenda across the Commonwealth Public Service. Indeed, staff numbers have varied over time. While some staff have been fully occupied on tasks related to the reform agenda, for many others it has formed or forms a component of their duties, contributing, among other things, to supporting departmental representatives on working groups, the preparation of documents for working groups and sub-groups and participating in the activities of sub-groups and Commonwealth reference groups established to coordinate whole-of-government input into the working groups.

At a minimum, no less than 100 Commonwealth public servants have worked on the COAG reform agenda since December 2007.

**d) How many of these staff have been transferred from other duties and how many new employees have been hired for these purposes?**

It is not possible to obtain an accurate Commonwealth Public Sector-wide figure on the number of staff employed or transferred to undertake work related to the COAG reform agenda.

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- e) **Given the Prime Minister’s pledge to “reengineer federalism” and bring about “cooperative federalism” can you outline in detail the changes that have been made since November 2007 to how COAG operates?**

On 20 December 2007, COAG agreed to a new model of cooperation underpinned by more effective working arrangements. In order to drive reforms, COAG met four times in 2008.

In a break from previous practice, Treasurers attended all of the COAG meetings in 2008, given their involvement in the development of the new federal financial relations framework.

In early 2008, COAG Senior Officials, on behalf of COAG, developed a number of business rules to govern the future operation of COAG. The business rules, in essence, formalise COAG processes including: determination of the frequency, date and location of COAG meetings; setting of the COAG agenda; circulation of agenda papers; status of COAG documents; preparation of communiqués; and records of COAG meetings and meetings of Senior Officials.

- f) **In relation to the Government’s \$42 billion alleged ‘stimulus’ package. Is there a state by state breakdown on the proportion of funds that each are likely to receive?**

The Nation Building and Jobs Plan is comprised of Commonwealth programs and National Partnership payments to the states and territories.

State and territory shares of the National Partnership payments are subject to final negotiations with the states and territories on the projects to be undertaken.

- g) **Please provide an itemised list of breakdown of spend by state of various components of the package.**

As previously stated, a breakdown of spend by each state has not yet been settled. Below is a financial year breakdown of components of the Nation Building and Jobs Plan.

Budget Impact of the Nation Building and Jobs Plan (underlying cash balance) (\$m)					
As at UEFO					
	Underlying cash balance impact				
	2008-09	2009-10	2010-11	2011-12	Total
<b>Building prosperity for the future</b>					
Building the Education Revolution	987	8,624	5,109	-	14,720
20,000 Social and Defence Homes	260	4,274	1,794	312	6,640
Energy Efficient Homes	39	1,540	1,544	736	3,859
Small Business & General Business Tax Break	-	840	1,350	515	2,705
Black Spots, Boom Gates and Community Infrastructure	480	410	-	-	890
Sub-total	1,766	15,687	9,797	1,563	28,813
<b>Supporting jobs now</b>					
Tax Bonus for Working Australians	6,950	1,201	-	-	8,151
Single-income Family Bonus	1,273	147	-	-	1,420
Farmer's Hardship Bonus	20	-	-	-	20
Back to School Bonus	2,347	271	-	-	2,618
Training and Learning Bonus	413	98	-	-	511
Sub-total	11,004	1,717	-	-	12,721
<b>Total Stimulus Package</b>	<b>12,770</b>	<b>17,404</b>	<b>9,797</b>	<b>1,563</b>	<b>41,534</b>