

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Additional Estimates Hearing – February 2010

Department of Finance and Deregulation

Finance and Deregulation Portfolio

Outcome 1, Program NA

Topic: Savings

Question reference number: F21

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Senator Ryan asked:

Minister, my attention has been drawn to the Labor savings document of 2007 which projects, from 2006-07 to 2009-10, savings from the closure of the Nauru and Manus island centres of \$91 million. Over the same period the budget papers now show a discrepancy of \$56.2 million. I am wondering if you or your officials have an explanation for why the quite substantial difference, by about 60 per cent.

Answer:

The Department of Finance and Deregulation (Finance) assumes the savings document referred to is the media release of 2 March 2007 by the (then) Shadow Minister for Finance, Lindsay Tanner MP, which presented *Labor's \$3 Billion Savings Plan*. The release presented savings based on February 2007 Senate Estimates answers from the Department of Immigration and Citizenship for the closure of the Nauru and Manus Island detention centres with the following profile:

Table A	2006-07 \$m	2007-08 \$m	2008-09 \$m	2009-10 \$m	Total \$m
Close Nauru and Manus Island Detention Centre	10.0	27.0	27.0	27.0	91.0

Consistent with the *Charter of Budget Honesty Act 1998* and caretaker arrangements, the (then) Opposition submitted this savings proposal for costing to Finance on 15 November 2007. The proposal was costed by Finance incorporating a maintenance cost for the facilities with the following profile:

Table B	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Total \$m
Savings for Labor's Better Priorities: Close Nauru and Manus Island detention centres	9.9	16.1	16.4	16.7	59.1

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The savings measure was then published in the 2008-09 Budget Paper No. 2 (page 356), with the following profile:

Table C	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m	Total \$m
Responsible Economic Management – Offshore processing centres in Nauru and Manus Province - closure	-2.3	-16.1	-16.4	-16.7	-17.2	-68.7*

* signage consistent with presentation in Budget Papers to reflect a savings measure

Comparison of the total 2006-07 to 2009-10 impacts for Tables A (\$91.0 million over four years) and C (\$2.3m + \$16.1m + \$16.4m = \$34.8 million over three years) gives rise to the difference of \$56.2 million.