

Senate Finance and Public Administration Legislation Committee

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearing – May 2006

Question: F7

Outcome 1, Output 1

Topic: Work on costings pre 2004 election and whether election announcements were worked on in advance

Hansard Page: F&PA 33

Senator Sherry asked:

According to a response to a question taken on notice at the last hearing, the Department of Finance and Administration worked on 10 major policies immediately before the 2004 election that were subsequently released in the election period when the PEFO was released.

Could you let me know on notice where there was a difference [between the election costings and PEFO estimates] and what the difference was.

Answer:

As advised in the letter of 7 July 2006 from Mr Phil Bowen, General Manager, Budget Group, to the Secretary of the Finance and Public Administration Legislation Committee, there were in fact nine, not ten, policies that we worked on prior to the 2004 election. We did not work on the election commitment *Promoting an Enterprise Culture* prior to the calling of the election.

For the following six election commitments that were included in the response to QoN F8 from the 14 February 2006 Additional Estimates hearing, the election costings were the same as the PEFO estimates:

- 100% Medicare: Making GP services more affordable than ever before;
- Scoresby Freeway;
- Pakenham Bypass;
- Additional Funding for Regional Arts;
- The Coalition's Plan for Higher Standards and Values in Schools; and
- Securing Australia's Interests.

Senate Finance and Public Administration Legislation Committee

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearing – May 2006

The following two election commitments that were included in the response to QoN F8 from the February 2006 hearing were packages that comprised several elements.

- Building our National Transport Future; and
- Local Government – Building on our Relationship.

The election costing was the same as the PEFO estimates for those elements of these packages that were included in the PEFO. However, the *Building our National Transport Future* election commitment included additional elements at a cost of \$48 million in 2004-05, \$106 million in 2005-06, \$165 million in 2006-07 and \$145 million in 2007-08. The *Local Government – Building on our Relationship* election commitment included additional elements at a cost of \$127.7 million in 2004-05, \$361.4 million in 2005-06, \$621.4 million in 2006-07 and \$621.5 million in 2007-08.

Funding for the *Increased Funding for Bushfire Preparedness* election commitment was reflected in PEFO, with funding of \$8 million per annum over the 2005-06, 2006-07 and 2007-08 financial years. Based on an announcement made by the Prime Minister on 8 September 2004, the election costing assumed funding would commence a year earlier and finish a year earlier. Therefore the financial implications in the election costing reflect a movement of funds from 2007-08 to 2004-05 with a net financial impact of zero.