

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearing – May 2007

Question: F40

Outcome 1 Output 1.1.1

Topic: Superannuation co-contribution

Hansard Page: F&PA 114

Senator Murray asked:

The most important figure is the appropriation bill figure, not the budget figure. The one thing I would not like to see is the appropriation bill reflect the \$1.1 billion, not the EM's \$1 billion and \$70 million figure. Do you get it?

Answer:

The 2007-08 Budget estimates include an expense of \$1,070 million in 2006-07 to reflect the financial impact of the measure for additional superannuation co-contribution. This amount is included in the 2006-07 estimate of superannuation co-contribution expenses, shown in the table of expenses from special appropriations on page 205 of the Treasury Portfolio Budget Statement 2007-08. It is shown in a rounded format in Budget Paper No. 1 page 1.16.

The superannuation co-contribution payments are appropriated by way of an unlimited special appropriation provision in the *Taxation Administration Act 1953*. Accordingly, there was no requirement to appropriate money for this measure in the 2007-08 Budget Appropriations Acts. As the expense is recognised in the 2006-07 financial year no value was reported for the measure in Budget Paper No. 2 page 308.