

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Hearing 24 May-3rd June 2010

Question: PM85

Topic: Support To Designated and Former Governors-General

Type of Question: Written

Date set by the committee for the return of answer: 9 July 2010

Number of pages: 2

P. 37 of the PM&C Portfolio Budget Statements shows that there is an approximately \$3 million increase from 2012-13 to 2013-14 for 'Support to designated and former Governors-General'. Quentin Bryce was appointed GG in September 2008. Assuming she serves a five year term, DPMC has effectively budgeted for her retirement from the position of GG.

a) Why is there an increase in 2013-14?

b) Why does DPMC expect 'support to designated and former Governors-General' to increase by over 500% from 2012-13 to 2013-14?

c) Have any discussions taken place with the Governor-General or her representatives about her reappointment or otherwise at the expiry of her current term of office?

Answer:

a) The increase in estimated expense of \$3 million in 2013-14 reflects the anticipated recognition of a future liability for certain post retirement benefits relating to the appointment of a new Governor-General. It was previously considered that the benefits provided to former Governors-General are provided in recognition of their ongoing public duties arising out of having held the office of Governor-General. However, the ANAO considers that entitlements for former Governors-General are a post employment benefit and should be recognised as a liability in the financial statements. This change in the department's accounting policy has resulted in a post retirement liability for certain benefits being recognised at the time a new Governor-General is

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Hearing 24 May-3rd June 2010

appointed. This accounting treatment accords with the Australian Accounting Standards.

- b) The increase in the expense from 2012-13 to 2013-14 reflects the accrual of certain future entitlements of a new Governor-General upon retirement.
- c) While the appointment of the Governor-General is at The Queen's pleasure, a five-year term is considered usual and was used by the Australian Government Actuary as an estimate of when the current Governor-General may leave office.