



**Australian Government**  
**Department of Finance and Deregulation**

**David Tune PSM**  
**Secretary**

Our Ref: SEC0007085

Ms Christine McDonald  
Secretary  
Senate Finance and Public Administration Committee  
Parliament House  
CANBERRA ACT 2600

Dear Ms McDonald

I wish to clarify three matters regarding evidence given during the Budget Estimates hearings of the Senate Finance and Public Administration Committee on Wednesday 23 May and Thursday 24 May 2012.

Firstly, I would like to clarify and correct the record in relation to a response given by Mr Mark Thomann, First Assistant Secretary of the Social Policy Division, Budget Group, in my department.

Page 38 of the Hansard proof for 23 May records Mr Thomann's response to Senator Mitch Fifield in relation to the National Disability Insurance Scheme (NDIS):

**Mr Thomann:** No, it is all pure money.

The provision of \$342.5 million in the 2012-13 Federal Budget for individual care and support under the NDIS first stage is new money. Additional individual care and support offered within the participating regions will be funded using this money. This is in addition to the existing Commonwealth, state and territory funding contributions towards personal care and individual support services in each selected region and any additional contribution that states and territories make. The total cost of the average individual support package is estimated at \$35,000, which includes both new and existing funding.

Secondly, on page 34 of the Hansard proof for 24 May, Senator Mathias Cormann asked me about arrangements for the increased superannuation tax for high income earners. The Hansard reports the following exchange:

**Senator CORMANN:** That depends on how you decide to collect the revenue. So what you are saying is that you are not collecting revenue in 2012-13?

**Mr Tune:** Correct.

**Senator CORMANN:** Is that reflected like that in the budget?

**Mr Tune:** Yes, it is. It has zero against running costs for the departmental costs for the ATO for a lead in implementation, but the actual revenue does not come to the bottom line until 2013-14.

I have not been able to confirm the transcript against a recording of proceedings; however it would have been more accurate for me to say:

It has zero against revenue. There are departmental costs for the ATO for a lead in implementation, but the actual revenue does not come to the bottom line until 2013-14.

Thirdly, later on page 34 of the Hansard proof the discussion continued:

**Mr Tune:** Yes. There are some constitutional issues around judges that we will need to work our way through. But it is definitely the case that it will apply to Australian Public Service public servants who are members of the two defined benefits schemes, the military scheme, and also to politicians who are members of the pre-2004 scheme.

**Senator CORMANN:** So, other than judges, every other person in the public sector or in parliament who falls into the category of earning more than \$300,000 will pay the 30 per cent tax on contributions?

**Mr Tune:** Yes.

While I was correct in saying that members of the Australian Public Service and politicians earning more than \$300,000 per annum would pay an increased tax on their superannuation contributions, I should note that it is my understanding that members of defined benefit schemes will pay the increased tax of 15 per cent, rather than the total tax of 30 per cent.

Yours sincerely

David Tune  
15 June 2012