

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 34B

Outcome 1 Sustainable Government Finances, Output 1.1.1 Budget Advice

Topic: Baby Bonus Estimates

Hansard page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

Would you acknowledge that it has been common practice for Senate Committees to receive information on program costings, even when the information has not been specifically published?

Answer:

It is not common practice for the Department of Finance and Administration (Finance) to brief Senate Committees on programme costings.

Unpublished costings are undertaken by Finance in order to provide advice to the Minister for Finance and Administration and the Government and can only be provided to Senate Committees with the agreement of the Minister for Finance and Administration.

Date:	8 December 2003
Cleared by (SES):	Robert Butterworth
Group/Branch:	Budget Group, Central Agencies Branch
Contact Officer:	Kim Lomax
Telephone No:	6215 2049

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 34C

Outcome 1 Sustainable Government Finances, Output 1.1.1 Budget Advice

Topic: Baby Bonus Estimates

Hansard Page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

Did Treasury or the ATO provide this information to the Department of Finance?

Answer:

Yes, the Australian Taxation Office provided this information to the Department of Finance and Administration.

Date: 3 December 2003
Cleared by (SES): Robert Butterworth
Group/Branch: Budget Group, Central Agencies Branch
Contact Officer: Kim Lomax
Telephone No: 6215 2049

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 34D

Outcome 1 Sustainable Government Finances, Output 1.1.1 Budget Advice

Topic: Baby Bonus Estimates

Hansard Page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

Have the forward estimates beyond 2003-04 been adjusted? Have the estimates been adjusted downward?

Answer:

Yes. The estimates have been adjusted downwards to reflect the lower than expected uptake rate of the Baby Bonus.

Date: 3 December 2003
Cleared by (SES): Robert Butterworth

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Group/Branch: Budget Group, Central Agencies Branch
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Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 34E

Outcome 1 Sustainable Government Finances, Output 1.1.1 Budget Advice

Topic: Baby Bonus Estimates

Hansard Page: N/A

Senator Forshaw asked:

Can you advise whether the Baby Bonus costing was submitted to Finance for verification during the 2001 election campaign? If so, can you explain why the estimates have varied so significantly from the actual outcomes?

Answer:

Consistent with Section 30(2) of the *Charter of Budget of Honesty Act 1998, No.22, 1998*, the costing of policies affecting revenue is the responsibility of the Secretary to the Department of the Treasury. Pursuant to this Act there was no requirement to submit the Baby Bonus costing to the Department of Finance and Administration for verification during the 2001 election campaign, as it was proposed as a revenue measure.

The Secretary of the Treasury, in publicly releasing the costing for the First Child Tax Refund (Baby Bonus) on 6 November 2001, issued a caveat on the costing noting that the actual cost may well be lower than estimated because take-up may not be 100%. The caveat also noted that income distributions used to model the costing might understate the extent to which mothers with pre-school children return to work.

Date:	5 December 2003
Cleared by (SES):	Robert Butterworth
Group/Branch:	Budget Group, Central Agencies Branch
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Telephone No:	6215 2049

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 34F

Outcome 1 Sustainable Government Finances, Output 1.1.1 Budget Advice

Topic: Baby Bonus Estimates

Hansard page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

Given the Department's own performance targets with regard to the accuracy of expense estimates, is the Department seeking to address the accuracy of these estimates?

Answer:

The Department of Finance and Administration will continue to review the expense estimates as data becomes available from the Australian Taxation Office.

Date:	3 December 2003
Cleared by (SES):	Robert Butterworth
Group/Branch:	Budget Group, Central Agencies Branch
Contact Officer:	Kim Lomax
Telephone No:	6215 2049

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 34G

Outcome 1 Sustainable Government Finances, Output 1.1.1 Budget Advice

Topic: Baby Bonus Estimates

Hansard Page: N/A

Senator Forshaw asked:

Has the Department considered using its 'veto' powers over departmental estimates to ensure the accuracy and legitimacy of Treasury/ATO Baby Bonus estimates?

Answer:

No. See response in relation to Question 28I.

Date:	3 December 2003
Cleared by (SES):	Robert Butterworth
Group/Branch:	Budget Group, Central Agencies Branch
Contact Officer:	Kim Lomax
Telephone No:	6215 2049

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 34H

Outcome: 1 Sustainable Government Finances, Output 1.1.1 Budget Advice

Topic: Finance involvement in costing Paid Maternity Leave

Hansard page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

Has the Department of Finance been involved in any costings of the Pru Goward maternity leave model? Have these costing referred to or used the costings undertaken by NATSEM? What is your assessment of the accuracy of the NATSEM model and the model proposed by Pru Goward?

Answer:

On 11 December 2002, the Federal Sex Discrimination Commissioner, Ms Pru Goward released a paper *A Time to Value: Proposal for a national scheme of paid maternity leave*. This paper included a proposal for a national scheme of paid maternity leave. The paper also included costings for this scheme that were prepared by the National Centre for Social and Economic Modelling (NATSEM) at the University of Canberra.

The Department of Finance and Administration (Finance) has examined this model of a paid maternity leave scheme including the costs of such a scheme.

Finance differs with NATSEM on some of the assumptions underlying the Human Rights and Equal Opportunity Commission model. The cost of the proposal as developed by NATSEM is lower than the cost based on the alternative assumptions that Finance considers to be more appropriate.

Date:	3 December 2003
Cleared by (SES):	Kathryn Campbell
Group/Branch:	Budget Group, Social Welfare Division
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Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 34I

Outcome 1 Sustainable Government Finances, Output 1.1.1 Budget Advice

Topic: Baby Bonus Estimates

Hansard Page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

Does Finance oversee the costing of tax and/or non-tax revenue measures?

Answer:

Consistent with Section 30 (2) of the *Charter of Budget of Honesty Act 1998, No.22, 1998*, the Secretary to the Department of Finance and Administration is responsible for costing aspects of policies that affect government outlays, expenses and non-tax revenue estimates and the Secretary to the Department of the Treasury is responsible for costing aspects of policies affecting tax revenue.

Date: 3 December 2003
Cleared by (SES): Robert Butterworth
Group/Branch: Budget Group, Central Agencies Branch
Contact Officer: Kim Lomax
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