

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: 1/1.1

Topic: Budget Costings

Senator: Ryan

Question reference number: F9

Type of question: Hansard, F&PA Committee, Page 66, 18 October 2011

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Number of pages: 1

Question: If there are any established practices—for example, if there are a half a dozen exceptions or there is an exception in a particular policy area over time and welfare-to-work could be one of them—I would appreciate if you could provide, if you are able to, of course, any grounds, criteria or established practices around the use of second round costings?

Answer:

The Guidelines for Costing Election Commitments issued by the Secretaries to the Treasury and Department of Finance and Deregulation indicates that the policy adopted in undertaking costings is to include only the first round effects – that is, the financial implications of the immediate effects of a particular policy or response to a policy change.

Where large productivity enhancing packages have had clear macroeconomic impacts, in some cases these macroeconomic impacts have been included in the costings (such as in the case of the *A New Tax System* package announced in 1999). The details of such cases can be found in budget papers.