

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S DEPARTMENT

Output: Financial Services Group

Question No. 4

Senator Ludwig asked the following question in writing at the hearing on 24 May 2007:

- a) 2006-07 Budget Paper 1 p10-17 indicates that general government expenses for the department are projected to increase by \$101m next year. Provide a break-up of where these increases are projected to occur.
- b) AGD Budget Paper 4 p53 Table indicates projected spending on Outcome 2 will be \$12.6 million less than actual available appropriation in 2006-07. Provide a breakdown of where these cuts (on which programs) are expected to fall.
- c) Regarding Budget Paper 1 p11-5 unquantifiable contingent liabilities, in the table it notes under the portfolio that other indemnities are deleted since MYEFO. Provide a breakdown showing which have been deleted and why they were deleted.

The answer to the honourable senator's question is as follows:

a) The increases in estimated expenses is due to changes in funding for prior years' measures, funding provided in the 2007-08 Budget and movements of administered funding from 2006-07 to 2007-08.

The major change in funding for prior years' measures is the increase in 2007-08 for the new family law system measures announced in the 2005-06 Budget.

The increase in funding provided in the 2007-08 Budget primarily relates to the phased establishment of the national network of 65 Family Relationship Centres. The total operating funding for new measures in the 2007-08 Budget for the Attorney-General's Department was \$30.294m excluding depreciation.

The movements of funding from 2006-07 to 2007-08 are set out on page 37 of the Attorney-General's 2007-08 Portfolio Budget Statements.

b) The reduction in projected spending during 2007-08 for Outcome 2 compared to the actual available appropriation in 2006-07 is due to changes in the funding across years for existing measures, specifically the National security – centralised background checking which will be subject to cost recovery requirements from 1 July 2007. In addition a number of measures have terminated in 2006-07: Bushfire mitigation – new initiatives, Identity security – pilot program and Urban search and rescue – enhancing the national capability.

c) Since MYEFO, Customs removed the unquantifiable contingent liability for the Integrated Cargo System (ICS). Customs is progressing well with the ICS compensation process and anticipates the total payable for ICS claims will be well below the \$10m threshold for inclusion in the Statement of Risks. This is the only deletion since MYEFO.