



Senator the Hon. Glenn Sterle
Chairman
Senate Rural Affairs and Transport Legislation Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Sterle

Having reviewed the transcript of the Supplementary Budget Estimates hearing conducted by the Senate Rural Affairs and Transport Legislation Committee on 15 October 2012, I would like to make the following corrections.

The first correction relates to an answer provided by Dr O'Connell to a question from Senator the Hon. Richard Colbeck, which can be found on pages 6 and 7 of the proof Hansard:

Senator RICHARD COLBECK: If the market access stuff is going to be protected—this is the question I was trying to get out at the beginning of the discussion—then what are the guidelines and the priorities around how we are applying this efficiency dividend? If there are less people going to go on a delegation, for example, or we do not go on a visit, what are the principles that are being applied to that?

Dr O'Connell: It operates, obviously, according to the business needs of the different areas rather than applying a rigid rule to the exercise. The idea is that the business areas are meeting their priority requirements, but doing it as efficiently as they can manage. Those areas would be expected to operate within their budget. I mean primarily we operate this by budget setting, so it is largely an outcome guided process: you have the budget and you have the objectives that you are pursuing and you are expected to manage it within those objectives. I think we have talked about this often. Then the issue is: are you meeting your objectives and are you doing it within budget? If you are doing those things then you are being effective in how you are managing it, and that is what we are seeing at the moment. For example, we are on track for our current operating expenses. We had a \$131 million requirement over the four years to manage reduction savings and we are on track to manage that. We now have that additional extra. from 25 September, which amounts to \$30 million, I think, over four years. Again, we will put this into the budget process and when we settle our priorities we will expect people to manage within that budget. So it is less management by tight prescription and more management by setting budgets and outcomes and ensuring people meet those.....

Dr O'Connell mistakenly stated the incorrect additional extra savings. The correct response should read:

Dr O'Connell: We now have that additional extra from 25 September, which amounts to \$6.7 million, I think, over four years.

The second correction relates to an answer provided by Mr Schaeffer to a question from Senator the Hon. Richard Colbeck, which can be found on page 13 of the proof Hansard:

Senator RICHARD COLBECK: You have given me, as part of question on notice no. 135, your proposed budget for this year which adds up to \$37,100. Your budget for this year, 2012-13, is \$37,100. That is down from a spend last year, to the end of April, of \$82,328. Can you give me the final spend on official hospitality?

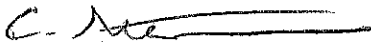
Mr Schaeffer: For 2011-12, our official hospitality spend was \$900,681.

Mr Schaeffer mistakenly stated the incorrect 2011-12 official hospitality spend. The correct response should read:

Mr Schaeffer: For 2011-12, our official hospitality spend was \$94,681.

Thank you for the opportunity to review the transcript of the Supplementary Budget Estimates Hearing from 15 October 2012 and to provide clarification on the above points.

Yours sincerely



Cathrine Stephenson
Assistant Secretary
Parliamentary Business and Ministerial Support Branch

22 November 2012