

ESTIMATES COMMITTEE
Question Taken on Notice

Question Number: 2-1

Date: 12/06/2018

From: Mr Gary Higgins

To: Hon. Nicole Manison

Portfolio: Treasurer

Agency: Treasury & Finance

Subject: Sustainable Service Provision

QUESTION

Page 13 of MYEFO in 2017–18 details the sustainable service provision being \$6.265m for 2017–18 and \$5.975m for 2018–19. This a \$290m reduction in service provision. Please detail to the committee where these cuts will come from.

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Answer to Question Taken on Notice

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Answer

The question was around the mid-year report and a table in there around sustainable service provision, which showed a drop in operating expenses between 2017–18 and 2018–19 from \$6.26bn to \$5.07bn. The question was, what is the difference?

It is made up of two or three items. One of those is savings and efficiency measures that were introduced as part of the 2017–18 budget. That largely does not take effect until 2018–19, therefore reducing the 2018–19 amount. The national partnership for remote housing ceases at the end of 2017–18. It is being renegotiated at the moment, but that included around \$65m of property-tenancy management expenses that are obviously included in the 2017–18 number but is not yet in the 2018–19 number. There were also some one-off stimulus measures, like the immediate work grants and some increased repairs and maintenance in 2017–18, that are obviously not reflected in 2018–19. That is largely the difference between the two.