


2012 Policy Commitment - Canberra Liberals

Election Commitment:	
Name of Commitment: Savings - Reduction in the Treasurer's Advance	
Cost Request Submitted by: ¹ Zed Seselja MLA, Canberra Liberals Leader	Reference No: LIB029
Date Request Received: 15-Oct-12	Date of Public Release: 03-Sep-12
Additional Information Requested (including date): n/a	
Additional Information Received (including date): n/a	

Financial Implications:						
Impact On:	2012-13	2013-14	2014-15	2015-16	2016-17	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	*	0.0
Expenses ^(a)	3,339.7	3,439.9	3,591.3	3,702.6	*	14,073.6
Net Operating Balance	3,339.7	3,439.9	3,591.3	3,702.6	*	14,073.6
Capital Requirement	0.0	0.0	0.0	0.0	*	0.0
Cash Surplus/Deficit	3,339.7	3,439.9	3,591.3	3,702.6	*	14,073.6
(a) A negative number indicates a decrease in revenue or an increase in expenses						
* No costing was requested to be undertaken for 2016-17, in line with the party's stated approach to use the standard of the current published budget and forward estimates period of 2012-13 to 2015-16.						

Other Information:				
Caveats or qualifications to the costing:				
n/a				
Other Comments:				
The commitment reduces Treasurer's Advance from 0.75 per cent of total appropriations to 0.125 per cent of total appropriations, and proposes to utilise a supplementary appropriation mid-year for greater scrutiny of additional budget expenditure. The commitment has not identified the increase in expenses to be met through the supplementary appropriation process. It has also not identified specific means or measures to reduce unforeseen expenditure. Treasury estimates 0.67 per cent of total appropriations is expensed on unforeseen costs.				
Costing Methodology Used:				
- Costing Technique:				
Analysis indicates that the average annual take-up of the Treasurer's Advance has been around 0.67 per cent of the appropriation in the years when there was not a supplementary appropriation. Treasury considers these costs to be unforeseen and are largely unavoidable without impacting on service delivery. Treasury estimates, based on the historical analysis that a reduction in the Treasurer's Advance to 0.67 per cent may be feasible.				
	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000
Current Advance - 0.75% of Appropriation	31,310.0	32,249.3	33,668.3	34,712.0
<i>less: Proposed Savings</i>	21,121.0	26,781.0	27,959.0	28,826.0
Proposed Advance	10,189.0	5,468.3	5,709.3	5,886.0
Current Advance - 0.75% of Appropriation	31,310.0	32,249.3	33,668.3	34,712.0
<i>less: Unforeseen costs 0.67% of Total Appropriation</i>	27,970.3	28,809.4	30,077.0	31,009.4
Available Savings on TA	3,339.7	3,439.9	3,591.3	3,702.6
- Policy Parameters:				
n/a				
Statistical Data Used:				
n/a				


 Megan Smithies
 Director-General