

PUBLIC SECTOR REDUNDANCIES

978. Mrs EDWARDES to the Treasurer:

I refer to the Treasurer's media release dated 12 April titled, "Enhanced voluntary redundancy scheme to reduce surplus jobs".

- (1) Given that the Treasurer announced a revised \$9 million projected budget surplus for the current financial year in the midyear review, how is it possible, just four months later, for him to offer \$20 million worth of redundancies to 430 public sector redeployees in such supposedly tight fiscal times?
- (2) Can he advise of the level of uptake on the offer over the past few months?

Mr RIPPER replied:

- (1)-(2) I answer the first part of the question by saying that it is good financial management. Unlike the previous Government, if we have a little additional revenue, we do not immediately spend it on new operating expenditure commitments. We exercise financial restraint, particularly at the time of the midyear review when revenue was severely down. For example, at the time of the midyear review, oil royalties forecast in the September budget were down on a projected basis by about \$80 million. Oil royalties are still down compared with those forecast in the September budget, but not by as much as was forecast at the time of the midyear review. The economy has performed better than expected. Some revenue areas have performed better than expected or not as badly as had been expected at the time of the midyear review. That has given the Government some additional capacity, which we have used to make an investment in the future. We are using a small part of that additional revenue to invest in the sustainability of our finances to make it easier to deliver operating surpluses in future years. We are encouraging people who, for reasons associated with a decade of public sector change, do not have productive or high priority work to do to take up the voluntary redundancy offer, move out of the system and off our books. They will go with our thanks and gratitude for the work they have done. We hope to provide people who take up this offer with a dignified opportunity to move into the private sector and to make a contribution in a different way.