

3.12 Deputy M. Tadier of the Minister for Home Affairs regarding the Comprehensive Spending Review cuts across all departments:

Can the Minister explain why, during a recent Scrutiny hearing, he described the 2 per cent Comprehensive Spending Review cuts across all departments as a “blunt tool” and advise whether he is in agreement with fixed percentage cuts across the board and what he would see as a less blunt tool for making savings?

Senator B.I. Le Marquand (The Minister for Home Affairs):

In fact the way the current budget proposals have ended up, as far as Home Affairs is concerned, have not ended up as a straight percentage cut but I will make some general comments. Percentage cuts across each department are a blunt instrument because they assume, firstly, that all departments are starting from a similar position financially and, secondly, that the items cut will be of equal importance. A 2 per cent cut at a particular stage might be very easy for one department whereas a 5 per cent cut later might be very difficult or *vice versa*. There needs, in my view, to be a process whereby the importance of cuts, the relative importance of the items being cut in one department, is assessed against those in other departments. The practical problem of course which arises is that this takes a great deal of time and when time is short the tendency is to revert to cuts across the board.

3.12.1 Deputy M. Tadier:

I thank the Minister for his response, I generally agree with that. Could I ask whether his concerns about this blunt tool were raised with the Council of Ministers and if not why not and if they were what the response of the Council of Ministers was to that?

Senator B.I. Le Marquand:

As I said at the start, certainly as far as Home Affairs is concerned, we did not end up with a straight 2 per cent because there were issues of growth being taken into account as well. I cannot speak on behalf of my colleagues but I suspect there is a movement in later percentages towards greater flexibility in approach and that I certainly would welcome.

3.12.2 The Deputy of St. Mary:

We were informed by the Minister for Economic Development on the Economic Scrutiny Panel that the process by which the 2 per cent, 3 per cent and 5 per cent had been arrived at was evolved and I think it is evolving further. Could the Minister tell the House whether there is, again, any audit trail of, first of all, how the 2, 3 and 5 were arrived at and then how they evolved into something else?

The Deputy Bailiff:

In relation to the Home Affairs Department, Deputy?

The Deputy of St. Mary:

In relation to the Home Affairs Department and therefore by implication to other departments.

The Deputy Bailiff:

The Minister can only answer of his own department.

Senator B.I. Le Marquand:

I am grateful, Sir, I was just about to say that but I think I have now been asked questions in relation to general financial policy which would probably be better to be asked of the Chief Minister or indeed the Minister for Treasury and Resources.

The Deputy Bailiff:

Do you wish to clarify that, Deputy?

The Deputy of St. Mary:

I am not sure that the Minister is going to clarify. It is very difficult to see which ...

The Deputy Bailiff:

No, for you to clarify your question. He can only answer a question for which he has official responsibility, understanding ...

The Deputy of St. Mary:

He is also a member of the Council of Ministers and maybe he cannot clarify anything about that at all what goes on there.

The Deputy Bailiff:

He does not answer questions for the Council of Ministers. Deputy Tadier.

3.12.3 Deputy M. Tadier:

My supplementary was only partially answered - the second supplementary. I was not asking him to speak for his colleagues but I simply want to know, given the fact that he has just told us he does not think that the 2 per cent cuts across the board is a very effective way of making cuts for the very simple reason that every department is different and does not have the same starting position, would the Minister explain if he raised this issue with the Council of Ministers, in particular with the Minister for Treasury and Resources? Did he tell him that this was not something in his mind that was an effective tool, if not, why not?

Senator B.I. Le Marquand:

Yes, certainly in relation to Home Affairs I made my position very plain to my colleagues at a very early stage that Home Affairs did have particular growth issues and particular issues in relation to increments. I have said that so many times in this Assembly that people probably know what I say by heart now.

3.12.4 Deputy M. Tadier:

Did he dissent, in that case, from the 2 per cent cuts?

Senator B.I. Le Marquand:

I dissented from the replying to Home Affairs without consideration of growth issues.