

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearings 2003-04 – 28 & 29 May 2003

Question: F5

Outcome 2

Topic: Reporting Cash Flows for the Consolidated Revenue Fund (CRF)

Hansard Page: F&PA 270

Senator Conroy asked:

But you have announced a string of changes that should allow you to calculate these numbers * into the future.

(*Cashflows associated with the Consolidated Revenue Fund)

Responses at Senate Estimates

(Mr Kerwin) I think I would need to look at that.

(Dr Watt) We are happy to come back to you with that information.

Answer:

The changes which have been agreed to, as part of the Budget Estimates and Framework Review, will not provide a centralised recording of all cash transactions in the Commonwealth.

The Review does not aim to replicate operations prior to the devolution of banking and cash payment to agencies.

However, it is possible for Finance, by separating out the Commonwealth Authorities and Corporations Act (1997) (CAC) entities and Financial Management and Accountability Act (1997) (FMA) agencies, to report aggregate cash movements for the CRF within the categories used in the usual cash flow statements under Accounting Standards (for example Budget Paper No 1 – Statement 10 page 10-4) and for GFS reporting (for example Budget Paper No 1 – Statement 9 page 9-6).

Its implementation would require additional information from FMA agencies and CAC entities, changes to financial data collection arrangements and significant changes to consolidation practices and computer systems.

As indicated in the response to F4, we do not consider it would be cost effective to modify the current system to record the individual receipts and expenditures of the CRF.