

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Finance and Administration Portfolio**

**Department of Finance and Administration**

Budget Estimates Hearings, 25-26 May 2005

**Question: F3**

**Outcome: 1, Output: 1.1**

**Topic: Identification of programmes in the Contingency Reserve**

**Hansard Page: F&PA 20**

**Senator Sherry asked:**

Just to conclude the questioning on the contingency reserve, what are the other programs, if any, that have been allocated to the contingency reserve?...I am asking that, where they have not been disclosed, the names of the programs be identified.

**Answer:**

The contingency reserve sub-function is an amount, included in aggregate expenses figuring, to reflect anticipated events that cannot be assigned to individual programmes in the preparation of the Australian Government budget estimates and includes the following:

- an allowance for the tendency for estimates of expenses for existing government policy to be revised upwards in the forward years;
- commercial-in-confidence and national security-in-confidence items that cannot be disclosed separately;
- decisions made too late for inclusion against individual agency estimates;
- the effect on the budget and forward estimates of economic parameter revisions received late in the process and hence not able to be allocated to individual agencies or functions;
- provision for events and pressures that are reasonably expected to affect the budget; and
- expenses associated with the Government's major asset sales and associated administration costs.

The contingency reserve sub-function is not a general policy reserve.

A summary of all references made to contingency reserve items within the 2005-06 Budget Paper No. 1 and No.2 is provided in Attachment A.