

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2011-2012

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: 3.1 - Sport and Recreation
Topic: 2015 Asian Cup

Senator: KROGER

Question reference number: 85

Type of question: Hansard, p 99, 24 May

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Number of pages: 2

Question:

Senator KROGER: Ok. Now, the contingency fund that we just spoke of? What is the normal practice in the way in which that will be drawn down? Does that need to be drawn down before the 2012-13 budget? How does that normally work?

Mr Eccles: I would need to check with the department of finance about the precise rules around that. The reason why it is in the contingency fund is that, over the next 12 months or so, we will get a much better idea of what the exact costs are, and that will allow us to access only that funding that is truly needed. I imagine we will have an update around Christmas about what the costs might be.

Senator KROGER: Sure.

Answer:

The Contingency Reserve is an allowance, included in aggregate expenses, principally to reflect anticipated events that cannot be assigned to individual programs in the preparation of the Australian Government budget estimates. While the Contingency Reserve is designed to ensure that aggregate estimates are as close as possible to expected outcomes, it is not appropriated. Allowances that are included in the Contingency Reserve can only be drawn upon once they have been appropriated by Parliament. These allowances are removed from the Contingency Reserve and allocated to specific agencies for appropriation and for outcome reporting closer to the time when the associated events eventuate.

Of the Commonwealth's contribution towards the cost of hosting the 2015 Asian Football Confederation Asian Cup, \$23.9 million has been included in the Contingency Reserve. A detailed costing exercise will be undertaken to confirm the exact costs of staging the tournament and agreed with the Prime Minister, the Deputy Prime Minister, the Minister for Finance and Deregulation and the Minister for Sport. Once the final amount of funding for this measure has been determined, the amount required will be included in the relevant

appropriation bill(s) for consideration by the Parliament while the corresponding amount in the Contingency Reserve would no longer be necessary and would be removed. Once appropriated, the Department of the Prime Minister and Cabinet would be able to draw down the relevant amounts as required.