

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Treasury

Question: BET 32

Topic: Identification of CEFC assets and liabilities in financial statements

Reference: Hansard – page 70-71, 4 June 2014

Senator: Wong

Question:

32. **Senator WONG:** Perhaps someone could explain: on the balance sheet page 243, your cash and equivalent financial assets are \$401 million in the first line of the first column, which is then nil in 2014-15. Can you explain to me what has happened there?

Mr Ray: The assumption is that upon the CEFC being abolished on 1 July, any access cash is immediately returned to the special account that is held by Treasury, so cash held by the corporation goes to zero.

Senator WONG: But that is your estimated actual for 2013-14, correct?

Mr Ray: That is correct.

Senator WONG: So is that the best estimate at this point of how much you have currently got?

Mr Powell: The best estimate of what we will have available to the corporation at the end of 2013-14 is that first line, the \$400 million.

Senator WONG: So is there any assumption in the budget bottom line about what happens to that \$401 million for the 2013-14 year?

Mr Ray: I would need to take this on notice. The short answer would be that the cash would then be managed as part of the government's general cash. At the moment, it is sitting in, effectively, a special appropriation that would cease were the bill to pass. Any cash that was sitting there would effectively be swept back into the government's cash holdings and would be managed by the AOFM. If you would like me to take it on notice, as to how that flows into the balance sheet, I am happy to.

Senator WONG: That would be useful. Thank you.

Answer:

32. From the legal funding source, if the CEFC is abolished, the cash reserve is returned to the transitional special account held by Treasury. The physical cash would be returned to the Consolidated Revenue Fund (CRF) and will then be part of the whole-of-government arrangements which are managed by the Department of Finance and AOFM. The return of funds to the CRF does not mean it is not available to the transition. The monies are recorded as part of the transitional special account and can only be used in accordance with the purposes of the special account.