

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2017-18

Finance Portfolio
24-25 May 2017

Department/Agency: Finance
Outcome/Program: 1/1.1
Topic: Movement of funds between programs

Senator: McAllister
Question reference number: F40
Type of question: Hansard Proof, 25 May 2017, F&PA Committee, page 16
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Number of pages: 1

Question:

Senator McALLISTER: I will move quite quickly through the remainder of questions around this issue. You mentioned earlier that agencies require ministerial approval to move funds between programs within a single budget year. What happens if an agency makes a decision to move funds between programs without approval? What are the consequences?

Ms Huxtable: There are thresholds in which that operates. I can provide on notice exactly stepping out the thresholds. This will be a part of the engagement that the agency advice units have with the departments in terms of advising them of the thresholds of their responsibilities and the like, and ensuring that the appropriate approvals occur.

Answer:

Movement of funds between programs within the same Budget year is called a reallocation.

With the exception of the following, all reallocations are New Policy Proposals and need to be agreed by Cabinet or the Prime Minister:

- Reallocation between programs within the same outcome:
 - If the cumulative increase or decrease is \$5 million or more in the current financial year, it must be reported to the Finance Minister in correspondence before it can proceed.
 - If the cumulative increase or decrease is less than \$5 million in the current financial year, it must be reported to the Department of Finance Agency Advice Unit before it can proceed.
- The Minister for Indigenous Affairs may reallocate cumulatively up to 12.5 per cent of the value of the annual administered appropriation for each Indigenous Program in a single financial year.