

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2013-2014

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: Outcome 1/Program 1.1 Budget

Topic: Expenditure on abandoned or suspended initiatives of previous government

Senator: Bernardi

Question reference number: F19

Type of question: Hansard, Finance and Public Administration Committee, Page 63,
19 November 2013

Date set by the committee for the return of answer: Friday 17 January 2013

Number of pages: 1

Question:

1. In relation to the funding provided to the Australian Local Government Association (ALGA) for the Yes campaign for the Referendum on Financial Recognition of Local Government, was there ever the intention to audit the expenditure of those funds and will it be accountable, whatever they return or whatever they have spent? Do they have to provide justification for the amount that they are returning?
2. Are you able to advise me of any other expenditure during the last parliament on initiatives that were either abandoned or put on hold?

Answer:

1. The funding agreement signed by the former Department Regional Australia, Local Government, Arts and Sport with ALGA required that they agree to keep financial accounts and records to enable:
 - all receipts and payments be identified;
 - the preparation of Financial Statements in accordance with the Australian Accounting Standards, including an income and expenditure statement and a register of assets created;
 - the audit of those accounts in accordance with the Australian Accounting Standards; and
 - the identification of all the recipients taxation liabilities and payments.

The funding agreement further requires that at any time during, or at the completion of, the funding agreement the Department of Infrastructure and Regional Development can determine that ALGA has an amount of money that it has not spent or legally committed for expenditure in accordance with the funding agreement. Then at the discretion of the Department of Infrastructure and Regional Development, they can require that ALGA refund that amount to the Department of Infrastructure and Regional Development.

The Department of Infrastructure and Regional Development advise that the Government has determined that ALGA should return unspent funding net of its direct costs (\$761,216.80) and indirect costs (\$2,713,119.96) associated with the ALGA campaign in support of the Yes case for the proposed referendum. The Department of Infrastructure and Regional Development further advise that documentation has been submitted by ALGA supporting the level of expenditure claimed which has been examined by the Department of Infrastructure and Regional

Development. An invoice was sent to ALGA for the amount of \$7,255,560.00 and payment has been received.

2. This is not information that the Department of Finance holds. Your question is best directed to each individual portfolio Minister.