

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**BUDGET ESTIMATES 2012-2013**

**Finance and Deregulation Portfolio**

**Department/Agency: Department of Finance and Deregulation**

**Outcome/Program: 1/1.1**

**Topic: Contingency Reserve**

**Senator: Cormann**

**Question reference number: F6**

**Type of question: Hansard, F&PA Committee, page 13, 23 May 2012**

**Date set by the committee for the return of answer: Friday, 6 July 2012**

**Number of pages: 1**

**Question:**

Why is the Contingency Reserve negative in the budget year? Is there a precedent to have a negative Contingency Reserve?

**Answer:**

The Contingency Reserve balance is negative in the budget year primarily due to the inclusion of revised economic parameters received late in the Budget process which reduced overall spending. Given the timing, these adjustments were not able to be allocated to individual agencies or functions. This is consistent with longstanding practice.

A negative Contingency Reserve balance in the budget year last occurred in the 2011-12 MYEFO.