

Part 3: Expenses and Net Capital Investment

PART 3: EXPENSES AND NET CAPITAL INVESTMENT

This Part reports on departmental expenses and net capital investment, by agency. The data are presented on the same basis as data in Statement 5 of Budget Paper No. 1. Both sets of data are presented on the basis of external accounting and financial reporting standards. These standards present information in terms of accrued expenses and accrued revenue.

The main external standards used are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, Australian System of Government Finance Statistics: Concepts, Sources and Methods, (cat no. 5514.0), which in turn is based on the International Monetary Fund (IMF) accrual GFS framework; and
- Australian Accounting Standards (AAS), being AASB 1049 Whole of Government and General Government Sector Financial Reporting (AASB 1049) and other applicable Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Machinery of government changes have implications for how information is presented in the tables in Part 3. For example, if an agency was abolished in 2015-16 it will have estimated expenses for 2015-16 reflecting expenditure in part of that year. If an agency was created in 2015-16, it will have estimated expenses for both 2015-16 and 2016-17, and for projected out years.

DEPARTMENTAL EXPENSES TABLE

Table 3.1 presents departmental expenses by agency. Departmental expenses reduce the net worth of agencies. It includes expenses controlled by agencies such as payment of wages and purchases of goods and services. It excludes administered expenses – not controlled by agencies - paid on behalf of government such as social benefits and grants to the States. It also excludes capital expenditure which does not reduce net worth.

Table 3.1: Departmental expenses table

	Estimates			Projections	
	2015-16	2016-17	2017-18	2018-19	2019-20
	\$m	\$m	\$m	\$m	\$m
Agriculture and Water Resources					
Department of Agriculture and Water Resources	756	801	795	780	740
Grains Research and Development Corporation	220	221	213	212	212
Total	976	1,021	1,009	992	952
Attorney-General's					
Attorney-General's Department	411	373	374	373	379
Australian Federal Police	1,403	1,362	1,246	1,242	1,231
Australian Security Intelligence Organisation	478	502	516	521	519
Family Court and Federal Circuit Court	207	0	0	0	0
High Court of Australia	23	22	23	23	23
National Archives of Australia	73	86	80	79	84
Total	2,594	2,345	2,239	2,238	2,236
Communications and the Arts					
Australian Broadcasting Corporation	1,164	1,103	1,111	1,119	1,138
Australian Communications and Media Authority	94	93	92	93	94
Department of Communications and the Arts	108	115	114	115	116
National Gallery of Australia	44	43	43	44	44
National Library of Australia	76	73	72	73	71
National Museum of Australia	48	46	46	47	47
Special Broadcasting Service Corporation	383	379	376	368	366
Total	1,918	1,852	1,854	1,857	1,875
Defence					
Australian War Memorial	68	74	69	68	69
Defence Housing Australia	1,220	1,373	1,484	1,400	1,352
Department of Defence	29,878	30,829	31,527	32,963	35,034
Department of Veterans' Affairs	360	378	355	345	342
Total	31,526	32,654	33,435	34,776	36,797
Education and Training					
Australian Research Council	25	26	26	27	27
Department of Education and Training	365	381	380	377	378
Total	390	408	406	404	405

Table 3.1: Departmental expenses table (continued)

	Estimates			Projections	
	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m
Employment					
Comcare	476	470	482	497	514
Department of Employment	325	325	329	328	327
Total	801	795	812	826	841
Environment					
Australian Renewable Energy Agency	150	192	111	70	22
Bureau of Meteorology	367	368	319	320	319
Clean Energy Finance Corporation	34	57	69	80	93
Clean Energy Regulator	89	84	77	77	76
Department of the Environment	521	486	470	467	481
Total	1,161	1,187	1,046	1,014	992
Finance					
Australian Electoral Commission	297	318	133	146	291
Department of Finance	633	599	556	558	564
Future Fund Management Agency	50	63	68	70	72
Total	980	980	756	774	926
Foreign Affairs and Trade					
Australian Trade and Investment Commission	258	241	243	245	244
Department of Foreign Affairs and Trade	1,575	1,609	1,404	1,514	1,525
Total	1,833	1,850	1,647	1,758	1,769
Health					
Australian Sports Commission	293	280	242	238	239
Department of Health	785	829	820	824	817
National Blood Authority	10	10	10	10	10
National Health and Medical Research Council	44	41	41	42	42
Total	1,131	1,160	1,113	1,113	1,108
Immigration and Border Protection					
Department of Immigration and Border Protection	2,857	2,744	2,661	2,559	2,532
Total	2,857	2,744	2,661	2,559	2,532
Industry, Innovation and Science					
Australian Nuclear Science and Technology Organisation	328	336	338	349	356
Commonwealth Scientific and Industrial Research Organisation	1,382	1,352	1,380	1,446	1,465
Department of Industry, Innovation and Science	517	508	501	512	503
Total	2,226	2,196	2,219	2,307	2,324
Infrastructure and Regional Development					
Department of Infrastructure and Regional Development	280	284	255	205	209
National Capital Authority	21	21	21	21	21
Total	301	304	276	226	230

Table 3.1: Departmental expenses table (continued)

	Estimates			Projections	
	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m
Parliament					
Department of Parliamentary Services	150	149	150	151	152
Total	150	149	150	151	152
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	413	404	396	400	398
Indigenous Business Australia	204	168	173	173	177
Total	617	572	569	572	574
Social Services					
Department of Human Services	4,602	4,506	4,249	4,185	4,196
Department of Social Services	574	491	441	424	427
National Disability Insurance Agency (NDIA)(c)	1,172	4,212	10,048	17,611	21,516
NDIA administered in nature	871	3,520	8,887	16,019	20,208
NDIA departmental in nature	301	692	1,161	1,592	1,309
Total	6,348	9,209	14,737	22,220	26,140
Treasury					
Australian Bureau of Statistics	484	597	414	398	412
Australian Office of Financial Management	12	13	13	13	13
Australian Securities and Investments Commission	364	380	368	362	359
Australian Taxation Office	3,482	3,539	3,472	3,397	3,303
Department of the Treasury	182	183	181	182	179
Total	4,524	4,711	4,448	4,353	4,267
Small agencies	5,063	5,306	5,255	5,116	5,064
Whole of government and inter-agency amounts(a)	-1,630	-1,182	-1,650	-1,813	-1,904
AEIFRS expenses considered other economic flows(b)	-1,153	-1,140	-1,093	-1,245	-1,263
Total departmental expenses	62,613	67,120	71,890	80,198	86,015
less: NDIA administered in nature(c)	871	3,520	8,887	16,019	20,208
Total excluding NDIA administered in nature	61,742	63,600	63,003	64,179	65,807

(a) Estimates of inter-agency transactions are included in the whole of government and inter-agency amounts. The entry for each portfolio does not include eliminations for inter-agency transactions within that portfolio.

(b) Agency estimates are reported on an AEIFRS basis. AEIFRS expenses considered other economic flows include net write-down and impairment of assets and fair value losses.

(c) The NDIA is a Commonwealth corporate entity and as such is not required to report expenses separately as administered or departmental. However, the NDIA's expenses incurred in the provision of reasonable and necessary care and support to clients (administered in nature) will be significant over the forward estimates compared to other Commonwealth corporate entities. Additionally, these expenses are jointly funded by the Commonwealth and participating states and territories. To provide a better view of these NDIA expenses, Table 3.1 shows the split between expenses that are departmental or administered in nature and provides a total excluding NDIA administered in nature.

NET CAPITAL INVESTMENT TABLE

Table 3.2 presents net capital investment by agency. Net capital investment represents expenditure by agencies on non-financial assets. It includes expenditure on assets such as defence equipment. It excludes any investment in financial assets such as loans.

Table 3.2: Net capital investment table

	Estimates			Projections	
	2015-16	2016-17	2017-18	2018-19	2019-20
	\$m	\$m	\$m	\$m	\$m
Agriculture and Water Resources					
Department of Agriculture and Water Resources	648	6	-13	-23	-16
Grains Research and Development Corporation	2	-1	-1	-1	-1
Total	650	6	-14	-23	-17
Attorney-General's					
Attorney-General's Department	-93	-6	-5	-2	-1
Australian Federal Police	20	33	20	12	-1
Australian Security Intelligence Organisation	-22	-22	3	0	-35
Family Court and Federal Circuit Court	-1	-43	0	0	0
High Court of Australia	-2	2	0	-3	-2
National Archives of Australia	2	2	2	3	3
Total	-96	-35	19	11	-36
Communications and the Arts					
Australian Broadcasting Corporation	66	-15	14	-37	-37
Australian Communications and Media Authority	7	0	-3	-1	-1
Department of Communications and the Arts	81	-10	-8	-7	-9
National Gallery of Australia	17	17	17	17	17
National Library of Australia	7	2	3	-3	-1
National Museum of Australia	3	2	2	2	2
Special Broadcasting Service Corporation	0	11	6	-6	6
Total	182	8	31	-35	-21
Defence					
Australian War Memorial	392	-10	-12	-6	-15
Defence Housing Australia	80	88	-35	-37	70
Defence Materiel Organisation	-2,915	0	0	0	0
Department of Defence	5,222	2,571	4,103	4,851	5,188
Department of Veterans' Affairs	-12	6	-9	-8	-6
Total	2,767	2,655	4,048	4,799	5,237
Education and Training					
Australian Research Council	0	0	-3	-3	-3
Department of Education and Training	21	-8	-14	-19	-23
Total	21	-7	-17	-22	-26

Part 3: Expenses and net capital investment

Table 3.2: Net capital investment table (continued)

	Estimates			Projections	
	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m
Employment					
Comcare	-3	7	4	-7	-7
Department of Employment	23	7	-1	-1	0
Total	20	13	3	-8	-8
Environment					
Australian Renewable Energy Agency	-21	0	0	0	0
Bureau of Meteorology	39	-1	-14	0	1
Clean Energy Regulator	-10	-10	-5	-3	-1
Department of the Environment	-427	540	666	373	322
Total	-419	529	648	371	322
Finance					
Australian Electoral Commission	3	-3	0	2	1
Department of Finance	-138	70	-5	-39	-28
Future Fund Management Agency	1	1	-2	-2	-1
Total	-133	69	-7	-39	-28
Foreign Affairs and Trade					
Australian Trade and Investment Commission	0	1	-1	-4	-5
Department of Foreign Affairs and Trade	274	54	-70	2	80
Total	274	54	-71	-2	75
Health					
Australian Sports Commission	-10	0	-7	13	19
Department of Health	-67	-8	-33	-38	-30
National Blood Authority	0	1	0	0	0
National Health and Medical Research Council	2	-2	-2	-2	-1
Total	-75	-9	-42	-28	-11
Immigration and Border Protection					
Australian Customs and Border Protection Service	-841	0	0	0	0
Department of Immigration and Border Protection	1,189	159	-25	-89	-110
Total	348	159	-25	-89	-110
Industry, Innovation and Science					
Australian Nuclear Science and Technology Organisation	-1	-1	15	-1	-8
Commonwealth Scientific and Industrial Research Organisation	-49	-99	-43	-48	-10
Department of Industry, Innovation and Science	7	-11	-13	-17	-16
Total	-43	-111	-41	-66	-34
Infrastructure and Regional Development					
Department of Infrastructure and Regional Development	-30	5	-5	-15	-19
National Capital Authority	-8	-8	-8	-8	-8
Total	-38	-4	-13	-24	-27

Table 3.2: Net capital investment table (continued)

	Estimates			Projections	
	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m
Parliament					
Department of Parliamentary Services	23	79	26	1	2
Total	23	79	26	1	2
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	-4	-4	0	-1	-2
Indigenous Business Australia	16	-5	-1	-2	-1
Total	12	-9	-1	-3	-3
Social Services					
Department of Human Services	-23	-14	-28	-48	-67
Department of Social Services	27	8	-7	-8	-11
National Disability Insurance Agency	42	95	71	-25	-25
Total	45	89	35	-81	-104
Treasury					
Australian Bureau of Statistics	20	31	-1	-14	-15
Australian Office of Financial Management	1	0	0	0	0
Australian Securities and Investments Commission	-18	17	12	-1	-6
Australian Taxation Office	48	-22	-60	-87	-90
Department of the Treasury	-1	0	0	0	0
Total	50	27	-48	-102	-111
Small agencies	0	210	45	-17	-35
Whole of government and inter-agency amounts(a)	542	-517	-444	-577	-639
Adjustments to AEIFRS movements in non-financial assets(b)	224	233	-744	816	1,091
Total net capital investment	4,355	3,437	3,388	4,885	5,517

(a) Estimates of inter-agency transactions are included in the whole of government and inter-agency amounts. The entry for each portfolio does not include eliminations for inter-agency transactions within that portfolio.

(b) Agency estimates are reported on an AEIFRS basis. AEIFRS movements in non-financial assets considered other economic flows include net write-down and impairment of non-financial assets and assets recognised for the first time. They also include Contingency Reserve movements in non-financial assets.

