

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 7 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 2016-17 it will have estimated expenses for 2016-17 reflecting expenditure in part of that year. If an agency was created in 2016-17, it will have estimated expenses for both 2016-17 and 2017-18, 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	
	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m
Agriculture and Water Resources					
Department of Agriculture and Water Resources	812	814	789	746	733
Grains Research and Development Corporation	223	216	213	214	215
Total	1,035	1,030	1,002	960	948
Attorney-General's					
Attorney-General's Department	393	402	397	396	379
Australian Federal Police	1,395	1,375	1,370	1,342	1,315
Australian Security Intelligence Organisation	501	525	512	517	524
Federal Court of Australia	334	337	339	340	335
High Court of Australia	22	23	23	23	23
National Archives of Australia	87	83	81	87	88
Total	2,733	2,744	2,722	2,706	2,665
Communications and the Arts					
Australian Broadcasting Corporation	1,128	1,118	1,101	1,118	1,143
Australian Communications and Media Authority	93	94	92	93	94
Department of Communications and the Arts	120	114	114	115	112
National Gallery of Australia	65	65	65	65	64
National Library of Australia	76	76	75	74	69
National Museum of Australia	47	49	50	50	46
Special Broadcasting Service Corporation	388	381	371	358	364
Total	1,918	1,896	1,869	1,874	1,893
Defence					
Australian War Memorial	79	69	63	62	61
Defence Housing Australia	1,106	1,181	1,225	1,256	1,117
Department of Defence	31,590	33,036	32,740	34,483	36,720
Department of Veterans' Affairs	380	438	350	341	342
Total	33,155	34,724	34,378	36,142	38,240
Education and Training					
Australian Research Council	26	25	25	24	24
Department of Education and Training	386	383	365	357	358
Total	412	409	390	381	382

Table 3.1: Departmental expenses table (continued)

	Estimates			Projections	
	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m
Employment					
Comcare(a)	44	383	391	404	421
Department of Employment	352	387	377	369	368
Total	397	770	767	774	790
Environment and Energy					
Australian Renewable Energy Agency	294	302	237	256	139
Bureau of Meteorology	371	377	364	354	352
Clean Energy Finance Corporation	54	76	83	95	104
Clean Energy Regulator	85	78	76	74	74
Department of the Environment and Energy	534	550	511	517	553
Total	1,337	1,383	1,272	1,297	1,222
Finance					
Australian Electoral Commission	322	151	355	135	169
Department of Finance	608	525	520	510	502
Future Fund Management Agency	59	73	78	81	84
Total	989	749	952	725	756
Foreign Affairs and Trade					
Australian Trade and Investment Commission	246	240	240	238	237
Department of Foreign Affairs and Trade	1,640	1,473	1,595	1,490	1,501
Total	1,885	1,713	1,835	1,727	1,738
Health					
Australian Sports Commission	296	297	259	239	240
Department of Health	890	842	832	816	808
National Blood Authority	10	10	10	10	10
National Health and Medical Research Council	41	43	41	42	41
Total	1,237	1,192	1,143	1,107	1,099
Immigration and Border Protection					
Department of Immigration and Border Protection	2,906	2,815	2,663	2,601	2,486
Total	2,906	2,815	2,663	2,601	2,486
Industry, Innovation and Science					
Australian Nuclear Science and Technology Organisation	371	346	347	354	367
Commonwealth Scientific and Industrial Research Organisation	1,367	1,374	1,422	1,445	1,449
Department of Industry, Innovation and Science	506	506	476	462	453
Total	2,244	2,226	2,245	2,260	2,269
Infrastructure and Regional Development					
Department of Infrastructure and Regional Development	269	291	218	219	209
National Capital Authority	21	22	21	21	21
Total	289	313	238	240	230

Table 3.1: Departmental expenses table (continued)

	Estimates			Projections	
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$m	\$m	\$m	\$m	\$m
Parliament					
Department of Parliamentary Services	154	162	162	162	163
Total	154	162	162	162	163
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	435	463	410	408	402
Indigenous Business Australia	174	136	139	141	144
Indigenous Land Corporation	59	77	66	70	72
Total	668	676	614	619	618
Social Services					
Department of Human Services	4,761	4,988	4,486	4,317	4,169
Department of Social Services	537	510	474	445	412
National Disability Insurance Agency (NDIA)(b)	3,503	9,147	15,766	19,119	20,380
NDIA administered in nature	2,835	8,114	14,372	17,975	19,284
NDIA departmental in nature	668	1,033	1,394	1,144	1,096
Total	8,801	14,644	20,726	23,882	24,962
Treasury					
Australian Bureau of Statistics	622	431	401	413	375
Australian Office of Financial Management	11	12	12	12	12
Australian Prudential Regulation Authority	132	142	143	141	142
Australian Securities and Investments Commission	398	378	366	356	350
Australian Taxation Office	3,495	3,500	3,349	3,237	3,045
Department of the Treasury	192	211	209	189	181
Total	4,850	4,673	4,479	4,349	4,105
Small agencies	5,007	5,273	5,151	4,879	4,739
Whole of government and inter-agency amounts(c)	-1,710	-1,330	-1,162	-1,180	-1,359
AEIFRS expenses considered other economic flows(d)	-319	-511	-671	-675	-703
Total departmental expenses	67,988	75,550	80,774	84,831	87,241
less: NDIA administered in nature(b)	2,835	8,114	14,372	17,975	19,284
Total excluding NDIA administered in nature	65,153	67,436	66,401	66,856	67,957

(a) Includes revaluation of claim provisions (there was a large downward provision of approximately \$370 million in 2016-17).

(b) The National Disability Insurance Agency (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.

(c) 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.

(d) 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.

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	
	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m
Agriculture and Water Resources					
Department of Agriculture and Water Resources	16	18	-12	-16	-15
Grains Research and Development Corporation	-1	2	-1	-1	-1
Total	15	20	-13	-17	-16
Attorney-General's					
Attorney-General's Department	-11	6	-5	-11	-10
Australian Federal Police	25	82	12	-33	-40
Australian Security Intelligence Organisation	-4	-4	-4	-52	-54
Family Court and Federal Circuit Court	-42	0	0	0	0
Federal Court of Australia	41	-3	-3	-3	-3
High Court of Australia	3	1	-2	-3	-3
National Archives of Australia	2	2	3	3	3
Total	14	85	1	-100	-108
Communications and the Arts					
Australian Broadcasting Corporation	87	2	-37	-37	-37
Australian Communications and Media Authority	-1	-1	-3	-4	-4
Department of Communications and the Arts	-10	-8	-7	-9	-8
National Gallery of Australia	5	3	3	3	-21
National Library of Australia	3	6	-1	3	1
National Museum of Australia	2	2	3	3	3
Special Broadcasting Service Corporation	15	12	-7	5	2
Total	99	15	-49	-36	-65
Defence					
Australian War Memorial	0	0	5	-7	-11
Defence Housing Australia	102	105	-37	-130	166
Department of Defence	-578	2,423	3,808	4,674	6,061
Department of Veterans' Affairs	12	-1	-10	-10	-10
Total	-465	2,528	3,767	4,527	6,206
Education and Training					
Australian Research Council	1	-2	-2	-2	-2
Department of Education and Training	11	7	-1	-1	-9
Total	12	5	-3	-3	-10

Table 3.2: Net capital investment table (continued)

	Estimates			Projections	
	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m
Employment					
Comcare	5	4	1	-2	-1
Department of Employment	12	26	-10	-8	-4
Total	17	30	-9	-10	-5
Environment and Energy					
Australian Renewable Energy Agency	1	2	0	0	-1
Bureau of Meteorology	4	20	-6	-2	-23
Clean Energy Regulator	-7	-7	-5	-3	-2
Department of the Environment and Energy	487	679	716	343	200
Total	485	695	705	338	175
Finance					
Australian Electoral Commission	-3	3	2	1	-1
Department of Finance	154	-9	5	-5	-5
Future Fund Management Agency	2	1	0	0	-1
Total	153	-5	7	-4	-7
Foreign Affairs and Trade					
Australian Trade and Investment Commission	0	0	-4	-5	-5
Department of Foreign Affairs and Trade	166	44	-63	83	52
Total	166	44	-66	78	47
Health					
Australian Sports Commission	-4	-4	3	10	-4
Department of Health	-67	-5	-15	4	-10
National Blood Authority	1	0	0	0	0
National Health and Medical Research Council	0	4	-1	0	-2
Total	-70	-4	-12	13	-16
Immigration and Border Protection					
Department of Immigration and Border Protection	83	-62	-136	-160	-138
Total	83	-62	-136	-160	-138
Industry, Innovation and Science					
Australian Nuclear Science and Technology Organisation	138	-11	-14	-23	-31
Commonwealth Scientific and Industrial Research Organisation	-28	-86	-54	-17	-85
Department of Industry, Innovation and Science	-3	-4	-14	-16	-16
Total	106	-102	-83	-56	-132
Infrastructure and Regional Development					
Department of Infrastructure and Regional Development	-36	1	-24	-29	-28
National Capital Authority	-7	-7	-6	-7	-8
Total	-43	-5	-30	-36	-37

Table 3.2: Net capital investment table (continued)

	Estimates			Projections	
	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m
Parliament					
Department of Parliamentary Services	16	87	5	-4	-3
Total	16	87	5	-4	-3
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	14	11	0	-5	-9
Indigenous Business Australia	0	-1	-1	-1	-1
Indigenous Land Corporation	-12	-12	0	0	0
Total	3	-2	-1	-6	-11
Social Services					
Department of Human Services	37	79	-107	-130	-104
Department of Social Services	194	8	-22	-16	-3
National Disability Insurance Agency	47	75	76	-25	-23
Total	278	163	-53	-171	-131
Treasury					
Australian Bureau of Statistics	35	-1	-13	-11	-5
Australian Office of Financial Management	3	0	0	0	0
Australian Prudential Regulation Authority	1	3	1	-2	-3
Australian Securities and Investments Commission	1	7	1	-9	-8
Australian Taxation Office	0	-6	-64	-67	-65
Department of the Treasury	0	8	3	0	0
Total	41	11	-72	-88	-81
Small agencies	107	183	67	-1	-39
Whole of government and inter-agency amounts(a)	1,125	-386	236	194	-101
Adjustments to AEIFRS movements in non-financial assets(b)	-96	-2,815	511	433	506
Total net capital investment	2,047	484	4,770	4,892	6,037

(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.

