

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 6 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 this Part. For example, if an agency was abolished in 2017-18 it will have estimated expenses for 2017-18 reflecting expenditure in part of that year. If an agency was created in 2017-18, it will have estimated expenses for both 2017-18 and 2018-19, 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	
	2017-18	2018-19	2019-20	2020-21	2021-22
	\$m	\$m	\$m	\$m	\$m
Agriculture and Water Resources					
Department of Agriculture and Water Resources	821	818	792	790	794
Grains Research and Development Corporation	225	229	232	233	234
Regional Investment Corporation	0	17	25	33	41
Total	1,046	1,065	1,049	1,056	1,069
Attorney-General's					
Attorney-General's Department	363	253	240	238	242
Australian Security Intelligence Organisation	529	550	535	554	563
Federal Court of Australia	340	342	343	338	340
High Court of Australia	25	25	25	25	25
National Archives of Australia	85	83	86	86	86
Total	1,341	1,253	1,229	1,241	1,255
Communications and the Arts					
Australian Broadcasting Corporation	1,109	1,103	1,105	1,108	1,119
Australian Communications and Media Authority	98	100	100	97	96
Department of Communications and the Arts	121	117	117	114	114
National Gallery of Australia	74	74	74	74	76
National Library of Australia	77	78	75	70	70
Special Broadcasting Service Corporation	398	386	378	375	380
Total	1,877	1,858	1,849	1,838	1,855
Defence					
Australian War Memorial	71	72	66	62	63
Defence Housing Australia	1,019	1,159	1,202	1,147	1,147
Department of Defence	33,884	33,268	32,814	34,924	36,891
Department of Veterans' Affairs	438	437	345	343	341
Total	35,412	34,936	34,427	36,476	38,442
Education and Training					
Australian Research Council	26	25	25	24	24
Department of Education and Training	414	397	377	369	366
Total	440	422	402	393	390

Table 3.1: Departmental Expenses Table (continued)

	Estimates			Projections	
	2017-18	2018-19	2019-20	2020-21	2021-22
	\$m	\$m	\$m	\$m	\$m
Environment and Energy					
Bureau of Meteorology	383	383	386	385	360
Clean Energy Finance Corporation	71	100	107	112	115
Department of the Environment and Energy	585	496	500	527	532
Total	1,039	979	992	1,025	1,006
Finance					
Australian Electoral Commission	177	420	143	178	417
Department of Finance	498	549	524	511	493
Future Fund Management Agency	66	81	85	89	92
Total	741	1,051	752	778	1,002
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	1,509	1,682	1,566	1,566	1,564
Total	1,509	1,682	1,566	1,566	1,564
Health					
Australian Sports Commission	313	346	290	257	260
Department of Health	873	890	868	859	863
National Blood Authority	12	10	10	10	10
National Health and Medical Research Council	48	47	45	45	44
Total	1,246	1,293	1,213	1,170	1,177
Home Affairs					
Australian Federal Police	1,447	1,446	1,425	1,409	1,316
Department of Home Affairs	2,961	2,901	2,837	2,724	2,694
Total	4,408	4,346	4,262	4,133	4,010
Human Services					
Department of Human Services	4,866	5,010	4,471	4,051	4,117
Total	4,866	5,010	4,471	4,051	4,117
Infrastructure, Regional Development and Cities					
Department of Infrastructure, Regional Development and Cities	269	218	202	184	169
National Capital Authority	22	21	21	21	21
Total	291	239	223	205	190
Jobs and Innovation					
Australian Nuclear Science and Technology Organisation	502	373	364	377	383
Comcare	257	342	383	396	409
Commonwealth Scientific and Industrial Research Organisation	1,390	1,438	1,449	1,453	1,468
Department of Industry, Innovation and Science	573	505	487	474	475
Department of Jobs and Small Business	398	413	393	387	385
Total	3,121	3,070	3,076	3,087	3,119

Table 3.1: Departmental Expenses Table (continued)

	Estimates			Projections	
	2017-18	2018-19	2019-20	2020-21	2021-22
	\$m	\$m	\$m	\$m	\$m
Parliament					
Department of Parliamentary Services	162	160	161	160	159
Total	162	160	161	160	159
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	452	437	418	400	402
Indigenous Business Australia	202	190	181	186	190
Indigenous Land Corporation	77	66	70	72	73
Total	730	692	669	659	665
Social Services					
Department of Social Services	537	500	455	423	398
National Disability Insurance Scheme Launch Transition Agency (NDIA)(c)	7,825	16,731	20,747	22,393	23,688
NDIA administered in nature	6,772	15,253	19,489	21,196	22,434
NDIA departmental in nature	1,053	1,478	1,258	1,197	1,253
Total	8,362	17,231	21,202	22,817	24,086
Treasury					
Australian Bureau of Statistics	518	415	414	376	553
Australian Office of Financial Management	11	12	12	12	12
Australian Prudential Regulation Authority	143	146	144	142	143
Australian Securities and Investments Commission	393	385	368	352	352
Australian Taxation Office	3,507	3,571	3,416	3,226	3,230
Department of the Treasury	210	208	197	188	175
Total	4,782	4,736	4,551	4,297	4,465
Small agencies	6,085	7,254	6,773	6,575	6,564
Whole of government and inter-agency amounts(a)	-2,035	-1,878	-2,114	-1,735	-1,795
AEIFRS expenses considered other economic flows(b)	-842	-801	-740	-759	-756
Total departmental expenses	74,582	84,598	86,012	89,031	92,582
Less: NDIA administered in nature(c)	6,772	15,253	19,489	21,196	22,434
Total excluding NDIA administered in nature	67,810	69,345	66,524	67,835	70,148

(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 National Disability Insurance Scheme Launch Transition Agency (also known as the National Disability Insurance Agency, NDIA) is a corporate Commonwealth 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 support to clients (*administered* in nature) will be significant over the forward estimates compared to other corporate Commonwealth 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 that are *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	
	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m
Agriculture and Water Resources					
Department of Agriculture and Water Resources	22	-5	-13	-12	-15
Grains Research and Development Corporation	0	2	-2	-2	-2
Regional Investment Corporation	0	0	0	0	0
Total	22	-4	-15	-14	-16
Attorney-General's					
Attorney-General's Department	-10	-4	-4	-5	-9
Australian Security Intelligence Organisation	-2	-2	-37	-44	-48
Federal Court of Australia	-4	-4	-4	-4	-4
High Court of Australia	2	-1	-2	-2	-4
National Archives of Australia	-1	1	2	3	4
Total	-14	-10	-45	-52	-59
Communications and the Arts					
Australian Broadcasting Corporation	2	-32	-33	-33	-15
Australian Communications and Media Authority	-1	-3	-4	-4	-3
Department of Communications and the Arts	3	-7	-9	-9	-9
National Gallery of Australia	-2	4	3	-4	7
National Library of Australia	6	-1	3	1	0
Special Broadcasting Service Corporation	12	1	6	2	2
Total	19	-38	-33	-46	-19
Defence					
Australian War Memorial	6	6	-8	-10	-10
Defence Housing Australia	169	27	8	6	81
Department of Defence	2,037	3,044	4,911	6,196	7,661
Department of Veterans' Affairs	19	-4	-11	-9	-6
Total	2,231	3,073	4,900	6,182	7,726
Education and Training					
Australian Research Council	-1	-1	-2	-1	-1
Department of Education and Training	-11	17	4	-3	-3
Total	-11	17	3	-4	-4
Environment and Energy					
Bureau of Meteorology	10	97	82	28	-15
Clean Energy Finance Corporation	0	0	0	0	0
Department of the Environment and Energy	524	903	343	202	76
Total	534	1,000	426	230	61

Part 3: Expenses and Net Capital Investment

Table 3.2: Net Capital Investment Table (continued)

	Estimates			Projections	
	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m
Finance					
Australian Electoral Commission	14	5	1	-1	-1
Department of Finance	-89	0	-7	-23	-5
Future Fund Management Agency	2	-2	-1	-1	-1
Total	-73	3	-7	-26	-7
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	-82	-6	54	26	-19
Total	-82	-6	54	26	-19
Health					
Australian Sports Commission	-3	4	10	-4	-11
Department of Health	4	3	5	-20	-14
National Blood Authority	1	1	0	0	0
National Health and Medical Research Council	5	-1	-1	-2	-2
Total	7	6	14	-26	-27
Home Affairs					
Australian Federal Police	72	45	-15	-32	-29
Department of Home Affairs	-113	-47	-49	-50	-94
Total	-41	-2	-64	-82	-123
Human Services					
Department of Human Services	94	40	-20	-92	-116
Total	94	40	-20	-92	-116
Infrastructure, Regional Development and Cities					
Department of Infrastructure, Regional Development and Cities	-347	26	-6	-27	-24
National Capital Authority	-7	-6	-7	-8	-8
Total	-353	20	-12	-35	-32
Jobs and Innovation					
Australian Nuclear Science and Technology Organisation	-24	-31	-33	-40	-44
Comcare	3	2	0	0	3
Commonwealth Scientific and Industrial Research Organisation	-54	-85	13	-34	-124
Department of Industry, Innovation and Science	-39	-11	-16	-16	-16
Department of Jobs and Small Business	34	0	-13	-7	-6
Total	-78	-124	-49	-97	-187

Table 3.2: Net Capital Investment Table (continued)

	Estimates			Projections	
	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m
Parliament					
Department of Parliamentary Services	86	12	5	6	7
Total	86	12	5	6	7
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	83	0	-5	-10	-8
Indigenous Business Australia	52	2	2	-2	-3
Indigenous Land Corporation	-12	0	0	0	0
Total	123	2	-3	-12	-12
Social Services					
Department of Social Services	24	-39	-26	-23	4
National Disability Insurance Scheme Launch Transition Agency	27	41	-17	-18	-53
Total	51	2	-43	-41	-49
Treasury					
Australian Bureau of Statistics	27	-10	-11	-5	1
Australian Office of Financial Management	0	0	0	0	0
Australian Prudential Regulation Authority	1	6	4	-4	-5
Australian Securities and Investments Commission	-1	2	-12	-5	-2
Australian Taxation Office	3	-51	-77	-76	-75
Department of the Treasury	8	3	5	5	0
Total	38	-50	-91	-84	-81
Small agencies	185	283	198	112	24
Whole of government and inter-agency amounts(a)	16	85	68	188	204
Adjustments to AEIFRS movements in non-financial assets(b)	-2,005	680	-362	587	729
Total net capital investment	748	4,989	4,923	6,720	8,000

(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.

