

## 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 this Part. For example, if an agency was abolished in 2018-19 it will have estimated expenses for 2018-19 reflecting expenditure in part of that year. If an agency was created in 2018-19, it will have estimated expenses for both 2018-19 and 2019-20, 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 net capital investment, which does not reduce net worth.

**Table 3.1: Departmental Expenses Table**

	Estimates			Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
<b>Agriculture and Water Resources</b>					
Department of Agriculture and Water Resources	851	859	858	858	857
<b>Total</b>	<b>851</b>	<b>859</b>	<b>858</b>	<b>858</b>	<b>857</b>
<b>Attorney-General's</b>					
Attorney-General's Department	254	265	255	249	242
High Court of Australia	26	27	27	27	28
National Archives of Australia	88	88	86	86	88
<b>Total</b>	<b>368</b>	<b>380</b>	<b>368</b>	<b>362</b>	<b>357</b>
<b>Communications and the Arts</b>					
Australian Broadcasting Corporation	1,135	1,120	1,123	1,128	1,131
Australian Communications and Media Authority	102	108	101	100	99
Department of Communications and the Arts	120	133	120	118	118
National Gallery of Australia	84	84	84	85	85
National Library of Australia	78	78	73	72	72
<b>Total</b>	<b>1,519</b>	<b>1,522</b>	<b>1,500</b>	<b>1,503</b>	<b>1,505</b>
<b>Defence</b>					
Australian Signals Directorate	831	833	856	886	851
Australian War Memorial	64	58	54	56	52
Defence Housing Australia	986	1,122	1,075	1,084	1,174
Department of Defence	33,497	34,695	35,236	37,188	40,141
Department of Veterans' Affairs	454	413	378	325	326
<b>Total</b>	<b>35,831</b>	<b>37,121</b>	<b>37,600</b>	<b>39,538</b>	<b>42,545</b>
<b>Education and Training</b>					
Australian Research Council	25	25	25	24	24
Department of Education and Training	418	449	419	413	402
<b>Total</b>	<b>443</b>	<b>474</b>	<b>444</b>	<b>437</b>	<b>426</b>
<b>Environment and Energy</b>					
Bureau of Meteorology	400	407	405	387	361
Clean Energy Finance Corporation	109	110	114	116	118
Department of the Environment and Energy	532	546	555	540	537
<b>Total</b>	<b>1,041</b>	<b>1,063</b>	<b>1,075</b>	<b>1,043</b>	<b>1,017</b>

**Table 3.1: Departmental Expenses Table (continued)**

	Estimates			Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
<b>Finance</b>					
Department of Finance	542	550	535	524	507
Future Fund Management Agency	81	92	102	107	109
<b>Total</b>	<b>623</b>	<b>642</b>	<b>637</b>	<b>631</b>	<b>616</b>
<b>Foreign Affairs and Trade</b>					
Department of Foreign Affairs and Trade	1,697	1,726	1,721	1,618	1,635
<b>Total</b>	<b>1,697</b>	<b>1,726</b>	<b>1,721</b>	<b>1,618</b>	<b>1,635</b>
<b>Health</b>					
Department of Health	900	855	832	830	834
National Blood Authority	10	10	10	10	10
National Health and Medical Research Council	47	45	44	44	41
<b>Total</b>	<b>958</b>	<b>911</b>	<b>886</b>	<b>883</b>	<b>885</b>
<b>Home Affairs</b>					
Australian Federal Police	1,492	1,523	1,546	1,552	1,543
Australian Security Intelligence Organisation	550	579	550	557	570
Department of Home Affairs	3,198	3,138	2,890	2,853	2,938
<b>Total</b>	<b>5,239</b>	<b>5,240</b>	<b>4,986</b>	<b>4,963</b>	<b>5,051</b>
<b>Industry, Innovation and Science</b>					
Australian Nuclear Science and Technology Organisation	526	408	387	423	418
Commonwealth Scientific and Industrial Research Organisation	1,427	1,438	1,445	1,466	1,483
Department of Industry, Innovation and Science	539	516	496	498	494
<b>Total</b>	<b>2,493</b>	<b>2,361</b>	<b>2,328</b>	<b>2,386</b>	<b>2,395</b>
<b>Infrastructure, Regional Development and Cities</b>					
Department of Infrastructure, Regional Development and Cities	224	223	194	178	173
National Capital Authority	21	14	14	13	13
<b>Total</b>	<b>245</b>	<b>237</b>	<b>208</b>	<b>191</b>	<b>187</b>
<b>Jobs and Small Business</b>					
Comcare	176	267	278	287	300
Department of Jobs and Small Business	453	446	413	414	400
<b>Total</b>	<b>629</b>	<b>713</b>	<b>691</b>	<b>701</b>	<b>700</b>
<b>Parliament</b>					
Department of Parliamentary Services	164	163	165	167	168
<b>Total</b>	<b>164</b>	<b>163</b>	<b>165</b>	<b>167</b>	<b>168</b>

**Table 3.1: Departmental Expenses Table (continued)**

	Estimates			Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
<b>Prime Minister and Cabinet</b>					
Department of the Prime Minister and Cabinet	447	439	402	401	403
Indigenous Business Australia	237	236	226	227	227
Indigenous Land and Sea Corporation	70	71	72	72	73
North Queensland Livestock Industry Recovery Agency	0	9	7	7	7
<b>Total</b>	<b>754</b>	<b>755</b>	<b>707</b>	<b>707</b>	<b>709</b>
<b>Social Services</b>					
Department of Human Services	5,132	4,859	4,377	4,277	4,084
Department of Social Services	563	552	503	470	459
National Disability Insurance Scheme Launch					
Transition Agency (NDIA)(c)	13,345	17,850	22,285	23,553	24,838
NDIA administered in nature	11,866	16,394	21,035	22,251	23,497
NDIA departmental in nature	1,479	1,456	1,249	1,302	1,340
<b>Total</b>	<b>19,040</b>	<b>23,261</b>	<b>27,165</b>	<b>28,300</b>	<b>29,381</b>
<b>Treasury</b>					
Australian Bureau of Statistics	416	457	416	536	338
Australian Office of Financial Management	11	15	15	15	15
Australian Prudential Regulation Authority	157	184	187	198	202
Australian Securities and Investments Commission	426	448	478	481	462
Australian Taxation Office	3,659	3,730	3,769	3,770	3,689
Department of the Treasury	213	214	203	191	191
<b>Total</b>	<b>4,882</b>	<b>5,048</b>	<b>5,068</b>	<b>5,191</b>	<b>4,897</b>
<b>Small agencies</b>	<b>8,552</b>	<b>8,100</b>	<b>7,668</b>	<b>7,809</b>	<b>7,409</b>
<b>Whole-of-government and inter-agency amounts(a)</b>	<b>-2,386</b>	<b>-1,990</b>	<b>-1,410</b>	<b>-1,556</b>	<b>-1,685</b>
<b>AEIFRS expenses considered other economic flows(b)</b>	<b>-1,028</b>	<b>-997</b>	<b>-1,033</b>	<b>-1,104</b>	<b>-1,143</b>
<b>Total departmental expenses</b>	<b>81,915</b>	<b>87,588</b>	<b>91,632</b>	<b>94,627</b>	<b>97,911</b>
Less: NDIA administered in nature(c)	11,866	16,394	21,035	22,251	23,497
<b>Total excluding NDIA administered in nature</b>	<b>70,049</b>	<b>71,194</b>	<b>70,597</b>	<b>72,376</b>	<b>74,413</b>

(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	
	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
<b>Agriculture and Water Resources</b>					
Department of Agriculture and Water Resources	2	-6	-7	-10	-10
<b>Total</b>	<b>2</b>	<b>-6</b>	<b>-7</b>	<b>-10</b>	<b>-10</b>
<b>Attorney-General's</b>					
Attorney-General's Department	-10	2	-12	-7	-5
High Court of Australia	-2	-1	-2	-4	-4
National Archives of Australia	0	1	2	3	1
<b>Total</b>	<b>-13</b>	<b>2</b>	<b>-12</b>	<b>-8</b>	<b>-9</b>
<b>Communications and the Arts</b>					
Australian Broadcasting Corporation	-20	-33	-21	-11	-7
Australian Communications and Media Authority	-3	-3	-3	-3	-3
Department of Communications and the Arts	-8	-10	-10	-10	-10
National Gallery of Australia	11	11	11	6	6
National Library of Australia	-1	3	1	0	0
<b>Total</b>	<b>-21</b>	<b>-32</b>	<b>-22</b>	<b>-18</b>	<b>-14</b>
<b>Defence</b>					
Australian Signals Directorate	321	88	98	22	-16
Australian War Memorial	21	35	42	40	82
Defence Housing Australia	164	21	66	101	47
Department of Defence	3,789	4,276	6,772	8,692	9,798
Department of Veterans' Affairs	9	-10	-7	-7	-4
<b>Total</b>	<b>4,305</b>	<b>4,410</b>	<b>6,971</b>	<b>8,847</b>	<b>9,907</b>
<b>Education and Training</b>					
Australian Research Council	-1	-2	-2	-2	-1
Department of Education and Training	4	17	2	-3	-3
<b>Total</b>	<b>3</b>	<b>15</b>	<b>1</b>	<b>-5</b>	<b>-5</b>
<b>Environment and Energy</b>					
Bureau of Meteorology	33	69	48	25	-40
Clean Energy Finance Corporation	1	0	0	0	0
Department of the Environment and Energy	1,062	282	164	150	153
<b>Total</b>	<b>1,096</b>	<b>351</b>	<b>212</b>	<b>175</b>	<b>114</b>
<b>Finance</b>					
Department of Finance	38	-27	-47	-33	-30
Future Fund Management Agency	-2	2	-2	-1	-1
<b>Total</b>	<b>36</b>	<b>-25</b>	<b>-49</b>	<b>-34</b>	<b>-30</b>

**Table 3.2: Net Capital Investment Table (continued)**

	Estimates			Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
<b>Foreign Affairs and Trade</b>					
Department of Foreign Affairs and Trade	71	64	99	61	-18
<b>Total</b>	<b>71</b>	<b>64</b>	<b>99</b>	<b>61</b>	<b>-18</b>
<b>Health</b>					
Department of Health	17	42	-9	-10	-12
National Health and Medical Research Council	4	0	-2	-2	-2
<b>Total</b>	<b>21</b>	<b>43</b>	<b>-11</b>	<b>-12</b>	<b>-15</b>
<b>Home Affairs</b>					
Australian Federal Police	47	28	8	-13	-9
Australian Security Intelligence Organisation	-2	-19	-44	-48	-47
Department of Home Affairs	9	-124	-159	-201	-254
<b>Total</b>	<b>54</b>	<b>-115</b>	<b>-195</b>	<b>-262</b>	<b>-310</b>
<b>Industry, Innovation and Science</b>					
Australian Nuclear Science and Technology Organisation	27	41	-48	-9	-37
Commonwealth Scientific and Industrial Research Organisation	-20	-41	11	-91	-48
Department of Industry, Innovation and Science	-1	-7	-8	-9	-8
<b>Total</b>	<b>5</b>	<b>-7</b>	<b>-46</b>	<b>-109</b>	<b>-93</b>
<b>Infrastructure, Regional Development and Cities</b>					
Department of Infrastructure, Regional Development and Cities	27	5	-23	-27	-7
National Capital Authority	-11	-6	-8	-8	-10
<b>Total</b>	<b>17</b>	<b>-1</b>	<b>-31</b>	<b>-35</b>	<b>-17</b>
<b>Jobs and Small Business</b>					
Comcare	2	1	1	2	-1
Department of Jobs and Small Business	-5	-5	3	-5	3
<b>Total</b>	<b>-3</b>	<b>-4</b>	<b>4</b>	<b>-3</b>	<b>2</b>
<b>Parliament</b>					
Department of Parliamentary Services	58	11	10	-2	-4
<b>Total</b>	<b>58</b>	<b>11</b>	<b>10</b>	<b>-2</b>	<b>-4</b>
<b>Prime Minister and Cabinet</b>					
Department of the Prime Minister and Cabinet	13	0	-10	-8	-8
Indigenous Business Australia	15	9	-5	-6	-6
Indigenous Land and Sea Corporation	-16	-6	-3	0	0
North Queensland Livestock Industry Recovery Agency	0	1	0	0	0
<b>Total</b>	<b>12</b>	<b>4</b>	<b>-17</b>	<b>-14</b>	<b>-13</b>



**Table 3.2: Net Capital Investment Table (continued)**

	Estimates			Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
<b>Social Services</b>					
Department of Human Services	166	-21	-113	-93	-82
Department of Social Services	-48	-37	-33	-7	-2
National Disability Insurance Scheme Launch Transition Agency (NDIA)	46	-12	-18	-18	-18
<b>Total</b>	<b>164</b>	<b>-70</b>	<b>-163</b>	<b>-118</b>	<b>-102</b>
<b>Treasury</b>					
Australian Bureau of Statistics	2	-18	-6	-1	-8
Australian Prudential Regulation Authority	9	22	-9	-9	-9
Australian Securities and Investments Commission	-11	-12	-9	-5	2
Australian Taxation Office	-66	-32	-31	-23	-24
Department of the Treasury	598	-255	-146	-26	-165
<b>Total</b>	<b>532</b>	<b>-295</b>	<b>-200</b>	<b>-64</b>	<b>-204</b>
<b>Small agencies</b>	<b>274</b>	<b>95</b>	<b>21</b>	<b>-80</b>	<b>-105</b>
<b>Whole-of-government and inter-agency amounts(a)</b>	<b>-4</b>	<b>38</b>	<b>99</b>	<b>102</b>	<b>111</b>
<b>Adjustments to AEIFRS movements in non-financial assets(b)</b>	<b>-118</b>	<b>270</b>	<b>1,055</b>	<b>1,303</b>	<b>1,596</b>
<b>Total net capital investment</b>	<b>6,490</b>	<b>4,749</b>	<b>7,717</b>	<b>9,715</b>	<b>10,780</b>

(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.