

1E. GENERAL SERVICES

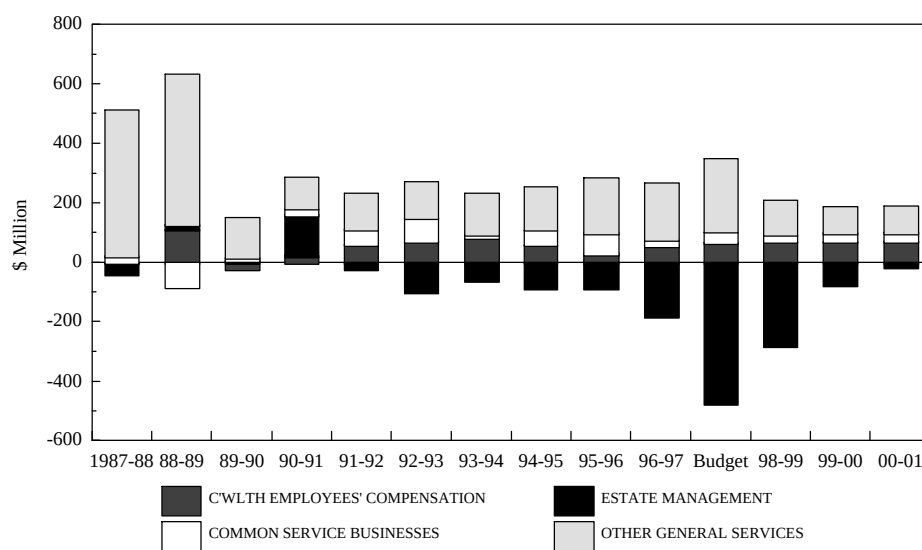
NATURE OF OUTLAYS

This function covers outlays relating to overall economic, social planning, statistical and general services not connected with a specific function. It includes the administrative processes of government not classified elsewhere including the provision of real property, centralised employee compensation and business services to government departments and agencies.

This function includes outlays of the following portfolios:

- Administrative Services;
- Industrial Relations;
- Environment, Sport and Territories; and
- Attorney-General's.

Chart 1. Overview of Commonwealth Outlays on General Services (1989-90 prices)



TRENDS IN GENERAL SERVICES OUTLAYS

Variations in outlays in the subfunction reflect the following significant policy changes:

- the progressive introduction from 1987-88 of commercialisation in the delivery of common services by the Department of Administrative Services (DAS);
- ACT self-government in May 1989;
- the introduction of revised arrangements for funding Commonwealth employees' compensation, including the payment of premiums by agencies from 1989-90;

- the introduction, from 1989-90, of rent payments by agencies which occupy Commonwealth owned real estate;
- the effect of property sales from 1996-97; and
- the rationalisation of DAS common service businesses in 1996-97.

Outlays on Estate Management include funding for new property developments, receipts from the sale of property and rent received on the existing estate. The net outlays pattern from 1988 through to 1991 reflects outlays on major development projects in Sydney and Melbourne. Expected outlays for 1997 to 1999 reflect expected receipts from property sales. These will in turn result in a reduction in rent receipts by the end of the decade.

1997-98 AND FORWARD ESTIMATES

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
1E.1 Commonwealth Employees' Compensation	\$m	64.6	77.1	82.6	85.0	88.8
	%		19.3	7.1	2.9	4.5
1E.2 Estate Management	\$m	-213.4	-559.3	-343.8	-94.2	-26.3
	%		162.1	-38.5	-72.6	-72.1
1E.3 Common Service Businesses	\$m	22.2	43.3	29.0	36.7	38.3
	%		95.0	-33.0	26.6	4.4
1E.4 Other General Services	\$m	221.9	289.4	140.2	111.2	112.4
	%		30.4	-51.6	-20.7	1.1
TOTAL	\$m	95.4	-149.5	-92.1	138.7	213.2
	%		na	-38.4	na	53.7

1E.1 COMMONWEALTH EMPLOYEES' COMPENSATION

Comcare Australia (Comcare) collects annual premiums which are paid into the Consolidated Revenue Fund. Agency premiums for any one year reflect the full cost of all compensation liabilities expected to be incurred in that premium year and for the full life of each claim. Agency premiums include a component for the administrative costs of Comcare.

Premium rates for 1997-98 will be decided by the Safety, Rehabilitation and Compensation Commission in June 1997. The downward trend experienced from 1995-96 to 1996-97 is expected to continue, largely due to claims frequency continuing to decrease whilst the average cost of claims appears to be stabilising.

1E.2 ESTATE MANAGEMENT

This covers management by DAS of the Commonwealth's ownership of real property for non-defence purposes.

The Government has agreed on a set of Commonwealth Property Principles which will have the effect of restricting Commonwealth ownership of property to cases where there are strong public interest or financial reasons for ownership. As a result, major sales are forecast for the budget and later years. No new developments are planned, although some properties may be refurbished. The Government has outsourced the management of its office estate, reflecting the trend to outsource activities which are not core functions of government.

1E.3 COMMON SERVICE BUSINESSES

		1996-97	1997-98	1998-99	1999-00	2000-01
		Estimate	Budget	Estimate	Estimate	Estimate
Australian Government Publishing Service	\$m	13.1	6.8	7.0	7.0	8.5
	%		-48.1	2.9	-	21.4
Australian Property Group (a)	\$m	1.3	2.3	-	-	-
	%		76.9	-100.0	na	na
DAS Distribution (a)	\$m	0.6	-	-	-	-
	%		-100.0	na	na	na
DAS Removals	\$m	-3.3	-1.2	-3.4	-4.0	-4.0
	%		-63.6	183.3	17.6	-
DASFLEET (b)	\$m	-55.6	-1.5	-3.7	5.2	5.2
	%		-97.3	146.7	-240.5	-
DAS Interiors (a)	\$m	0.8	-	-	-	-
	%		-100.0	na	na	na
Works Australia (a)	\$m	-	-	-	-	-
	%		na	na	na	na
Asset Services (a)	\$m	14.3	2.0	-	-	-
	%		-86.0	-100.0	na	na
Australian Surveying and Land Information Group	\$m	23.7	25.0	25.9	25.4	25.4
	%		5.5	3.6	-1.9	-
Australian Valuation Office	\$m	-2.2	0.1	-1.6	-1.6	-1.6
	%		-104.5	na	-	-
COMCAR	\$m	2.7	9.8	4.8	4.8	4.8
	%		na	-51.0	-	-
Business Support/Australian Operational Support Services (a)	\$m	26.8	-	-	-	-
	%		-100.0	na	na	na
TOTAL	\$m	22.2	43.3	29.0	36.7	38.3
	%		95.0	-33.0	26.6	4.4

- (a) The Office of Asset Sales (OAS) is progressing the sale of these businesses. Sales are expected to be concluded by mid 1997.
(b) OAS is currently assessing the sale of DASFLEET or refinancing of the vehicle fleet, with a target completion date of mid 1997. Budget estimates are based on refinancing the fleet.

As part of the Commonwealth property review, the Government has decided to divest itself of the Australian Property Group (APG) through a trade sale or employee/management buyout.

Estimates of the proceeds from sale/refinancing of the DAS businesses are included in the totals under *14E. Asset Sales*. The costs associated with the handling of surplus staff and property following the sale and/or restructure are reported in *1E.4 Other General Services* below.

1E.4 OTHER GENERAL SERVICES

		1996-97	1997-98	1998-99	1999-00	2000-01
		Estimate	Budget	Estimate	Estimate	Estimate
Department of the Environment, Sport and Territories	\$m	20.9	23.6	16.7	16.2	16.5
	%		12.9	-29.2	-3.0	1.9
Department of Administrative Services	\$m	176.9	240.0	99.7	71.2	72.1
	%		35.7	-58.5	-28.6	1.3
Other	\$m	24.2	25.8	23.7	23.7	23.8
	%		6.6	-8.1	-	0.4
TOTAL	\$m	221.9	289.4	140.2	111.2	112.4
	%		30.4	-51.6	-20.7	1.1

Department of the Environment, Sport and Territories

This element covers the running costs and other outlays of the Territories Programme that are not elsewhere classified. Government policy is to bring the laws, standards and infrastructure on the Indian Ocean Territories of the Cocos (Keeling) Islands and Christmas Island up to the standard of those on mainland Australia.

Department of Administrative Services

The Government's decision to withdraw from or to restructure the common service businesses in DAS will result in a large number of staff and properties becoming surplus to requirements. Surplus staff are given short term assistance with retraining and redeployment counselling through the DAS Business Sale and Restructuring - Staff Management Programme. These costs are met by the budget and are reported under this subfunction. The decline in outlays from 1998-99 reflects the progressive wind down of the programme.

Other

This item covers outlays on the Administrative Appeals Tribunal and other small agencies not elsewhere classified.