PART II: FUNCTION OUTLAYS

1. GENERAL PUBLIC SERVICES

1A. LEGISLATIVE AND EXECUTIVE AFFAIRS

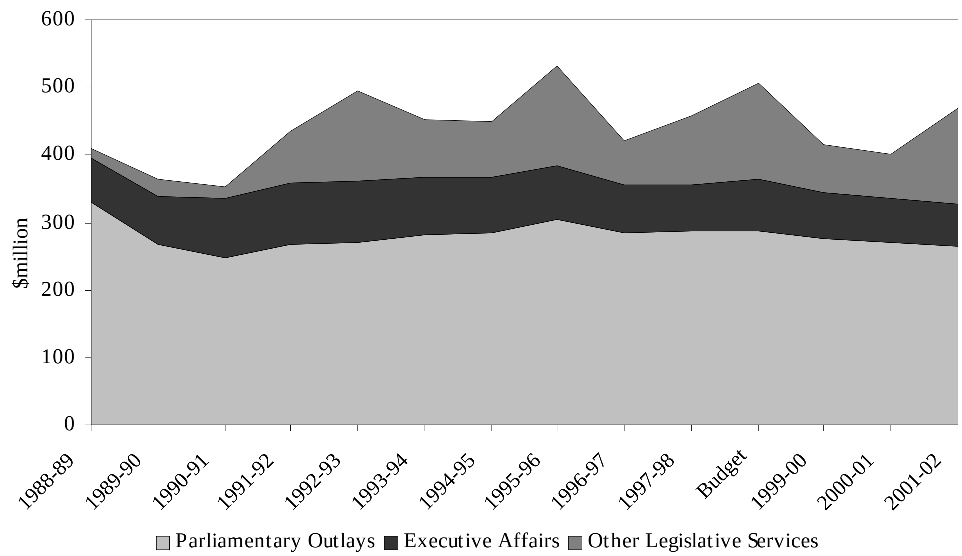
NATURE OF OUTLAYS

This function principally includes outlays of:

- the Parliamentary Departments (the Senate, House of Representatives, Parliamentary Library, Parliamentary Reporting Staff and Joint House);
- the Finance and Administration portfolio, including the Australian Electoral Commission (AEC), and Ministerial and Parliamentary Services;
- the Prime Minister and Cabinet portfolio,

and minor outlays from the Attorney-General's portfolio.

Chart 1. Overview of Commonwealth Outlays on Legislative and Executive Affairs (1989-90 prices)



TRENDS IN LEGISLATIVE AND EXECUTIVE AFFAIRS OUTLAYS

Parliamentary outlays have been relatively stable since the move to the new Parliament House in 1988-89. These outlays include ongoing running costs, capital and provision of remuneration and services to Members and Senators.

Spending on Other Legislative Services reflects the impact on outlays of Federal elections. The 1997-98 estimated outcome includes the cost of the election of delegates to the Constitutional Convention. There is provision for future Federal elections in the 1998-99 Budget and in the 2001-02 estimate.

Commonwealth outlays on Executive Affairs remain largely stable after 1998-99 at a level which reflects the ongoing impact of the Prime Minister and Cabinet portfolio savings announced in the 1996-97 Budget. The higher level of outlays in 1998-99 compared to the forward years is the result of carryovers from 1997-98 into 1998-99.

1998-99 AND FORWARD ESTIMATES

			1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
1A.1	Parliamentary Outlays	$m	336.0	346.6	341.0	343.1	346.0
		%		3.2	-1.6	0.6	0.8
1A.2	Other Legislative Services	$m	120.9	173.6	90.9	83.0	182.1
		%		43.6	-47.6	-8.7	119.4
1A.3	Executive Affairs	$m	80.0	92.2	83.6	84.0	81.0
		%		15.3	-9.3	0.5	-3.6
	TOTAL	$m	536.8	612.4	515.6	510.1	609.1
		%		14.1	-15.8	-1.1	19.4

1A.1 PARLIAMENTARY OUTLAYS

Parliamentary outlays cover services to Senators and Members by the Parliamentary Departments and the Department of Finance and Administration. These include: Hansard; advisory, procedural, research and administrative support; library; communications support; building and facilities management; Members' and Ministers' staff salaries; electorate office costs; and travel within Australia and overseas. The costs of superannuation benefits for Senators and Members of Parliament appear in *1F.2 Civilian Schemes.*

1A.2 OTHER LEGISLATIVE SERVICES

Other Legislative Services covers the cost of car-with-driver services for Government leaders, Parliamentarians and dignitaries, the funding of elections, the cost of the AEC and drafting of Bills by the Office of Parliamentary Counsel within the Attorney-General's portfolio.

1A.3 EXECUTIVE AFFAIRS

The Executive Affairs subfunction covers the running costs and other outlays of the Department of the Prime Minister and Cabinet (including support services for former Governors-General and the Prime Minister's official residences), the Office of the Commonwealth and Defence Force Ombudsman, the Office of the Official Secretary to the Governor-General, and the Public Service and Merit Protection Commission.

1B. FINANCIAL AND FISCAL AFFAIRS

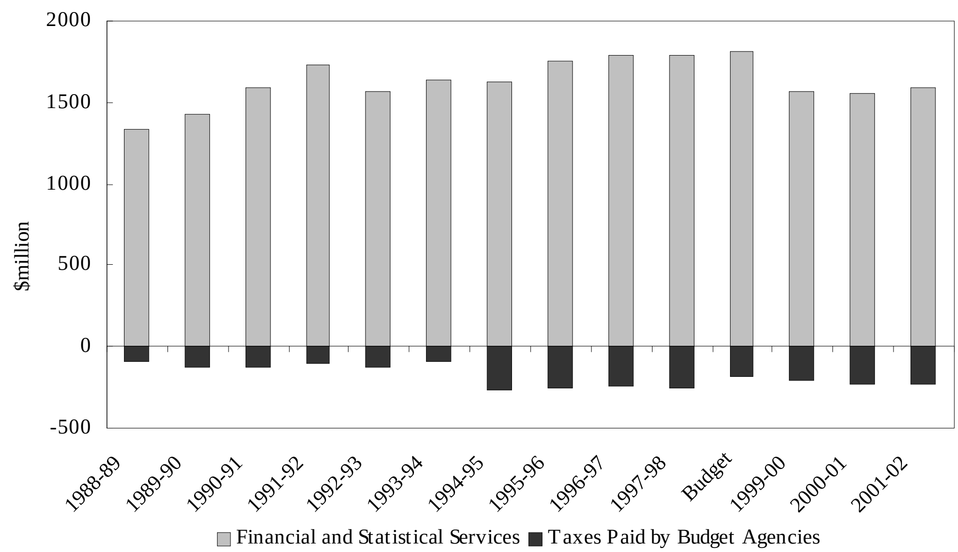
NATURE OF OUTLAYS

This function comprises outlays on administrative processes of government covering tasks such as collecting taxes, collecting and reporting statistical information, raising and managing the public debt of the Commonwealth, overseeing disbursement and efficient use of public funds, auditing Commonwealth entities, supervising insurance and superannuation, and providing economic, financial and other policy advice to government.

This function includes outlays of the following portfolios:

- Treasury;
- Finance and Administration; and
- Industry, Science and Tourism.

Chart 1. Overview of Commonwealth Outlays on Financial and Fiscal Affairs (1989-90 prices)



TRENDS IN OUTLAYS ON FINANCIAL AND FISCAL AFFAIRS

Outlays for this function have historically included a base level of funding significantly augmented by a series of specific funding initiatives.

The significant trends affecting Financial and Statistical Services to 1997-98 were:

- growth over the four years to 1991-92 due to a strengthening of the Australian Taxation Office (ATO) resource base, including introduction of the Tax File Number System from 1988-89 and the modernisation of IT systems which commenced in 1989-90. Growth over the period also reflected additional funding for the Australian Bureau of Statistics (ABS) to carry out the 1991 Census of Population and Housing; and

- growth over the six years to 1997-98 was due to increased compliance enforcement and debt management acitivities in the ATO commencing in 1994-95. The data for this period also reflects the cessation by the Australian National Audit Office in 1995-96 of charging budget-funded departments and agencies for audits of their financial statements. The 1996 Census of Population and Housing was funded through additional resources provided to the ABS and is also reflected in this period.

There is a net increase in outlays in the Budget year, reflecting:

- one-off seed funding provided through the Office of Government Information Technology to assist Commonwealth agencies for remediation of technical problems in achieving Year 2000 compliance ($120 million);

- interim funding provided to the ATO for development of a proposed tax reform programme and ATO running costs carried forward from 1997-98; and

- partial offsets resulting from a reduction in outlays of the Department of the Treasury for 1998-99 and forward years to reflect the recording of tax equivalent and debt neutrality payments to be made by Commonwealth businesses under competitive neutrality arrangements.

The lower level of outlays in the forward years reflects primarily the removal of one-off effects and the return to ongoing base funding for the function.

The significant trend affecting Taxes paid by Budget Agencies from 1994-95 to 1997-98 was an increase in Fringe Benefits Tax (FBT) payments. Such payments increased significantly from 1994-95 as a result of legislation which effectively raised the FBT liability of departments and budget sector agencies from 48.25 per cent to around 93 per cent. Departments and agencies are tax exempt employers and therefore not eligible for tax deductions for any FBT costs.

The reduction in the Taxes paid by Budget Agencies for the Budget year reflects a decrease in payments by Defence (partly arising from a decrease in Defence personnel) and the increase through the forward years reflects increased effective assistance following the expected revaluation of Defence Housing Authority housing stock.

			1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
1B.1	Financial and Statistical Services	$m	2104.3	2194.2	1944.4	1977.3	2067.3
		%		4.3	-11.4	1.7	4.6
1B.2	Taxes Paid by Budget Agencies	$m	-300.8	-230.1	-259.3	-301.3	-300.8
		%		-23.5	12.7	16.2	-0.2
	TOTAL	$m	1803.5	1964.1	1685.1	1675.9	1766.5
		%		8.9	-14.2	-0.5	5.4

1B.1 FINANCIAL AND STATISTICAL SERVICES

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Department of the Treasury	$m	62.8	13.6	0.3	1.4	2.2
	%		-78.3	-97.8	na	57.1
Australian Taxation Office	$m	1312.1	1250.4	1180.9	1195.4	1204.2
	%		-4.7	-5.6	1.2	0.7
Australian Bureau of Statistics	$m	220.3	214.9	215.7	241.5	317.8
	%		-2.5	0.4	12.0	31.6
Department of Finance and	$m	86.9	194.5	74.5	74.7	75.3
Administration	%		123.8	-61.7	0.3	0.8
Australian National Audit Office	$m	33.3	40.8	36.2	37.0	37.4
	%		22.5	-11.3	2.2	1.1
Australian Customs Service	$m	352.6	418.5	378.2	372.1	374.9
	%		18.7	-9.6	-1.6	0.8
Insurance & Superannuation	$m	36.3	61.5	58.8	55.2	55.6
Commission	%		69.4	-4.4	-6.1	0.7
TOTAL	$m	2104.3	2194.2	1944.4	1977.3	2067.3
	%		4.3	-11.4	1.7	4.6

Department of the Treasury is responsible for advising and assisting the Government in the management of the Australian economy.

Australian Taxation Office is responsible for ensuring the collection of revenue payable under the laws administered by the Commissioner of Taxation.

Australian Bureau of Statistics is responsible for the collection of statistics Australia wide including the five yearly Census of Population and Housing as well as other cyclical surveys.

Department of Finance and Administration (DoFA) programmes reported under the sub-function are responsible for advising and assisting the Government manage its finances in a sustainable manner and delivering good government by promoting efficient, effective and ethical financial management and accountability practices within Commonwealth agencies. Outlays relating to the Office of Government Information Technology are also included against this item.

Australian National Audit Office (ANAO) is responsible for audits of Commonwealth departments and authorities. The ANAO charges fees for audits of financial statements of Commonwealth authorities and companies and those fee receipts are treated as offsets within outlays.

Australian Customs Service is involved in facilitating the movement of people and goods into and out of Australia, the delivery of industry assistance programmes and the collection of customs duty and excise.

Insurance and Superannuation Commission (ISC) is responsible for prudential supervision of the insurance (including life insurance) and superannuation industries. The Government has decided that the ISC will be replaced by the Australian Prudential Regulation Authority (APRA) and will bring all prudential regulation under the control of a single national authority. The APRA is planned to take effect from 1 July 1998.

1B.2 TAXES PAID BY BUDGET AGENCIES

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Fringe Benefits Tax	$m	-298.7	-228.0	-257.1	-299.1	-298.6
	%		-23.7	12.8	16.3	-0.2
Customs Duty	$m	-2.1	-2.1	-2.2	-2.2	-2.3
	%		na	4.8	na	4.5
TOTAL	$m	-300.8	-230.1	-259.3	-301.3	-300.8
	%		-23.5	12.7	16.2	-0.2

Taxes and levies received from budget sector agencies and classified as offsets within outlays are reported under this subfunction whereas the payments made by agencies are reported under the functions to which the paying departments and agencies are classified. These items, combined with their offsets in other functions, have no net effect on aggregate budget outlays.

1C. FOREIGN ECONOMIC AID

NATURE OF OUTLAYS

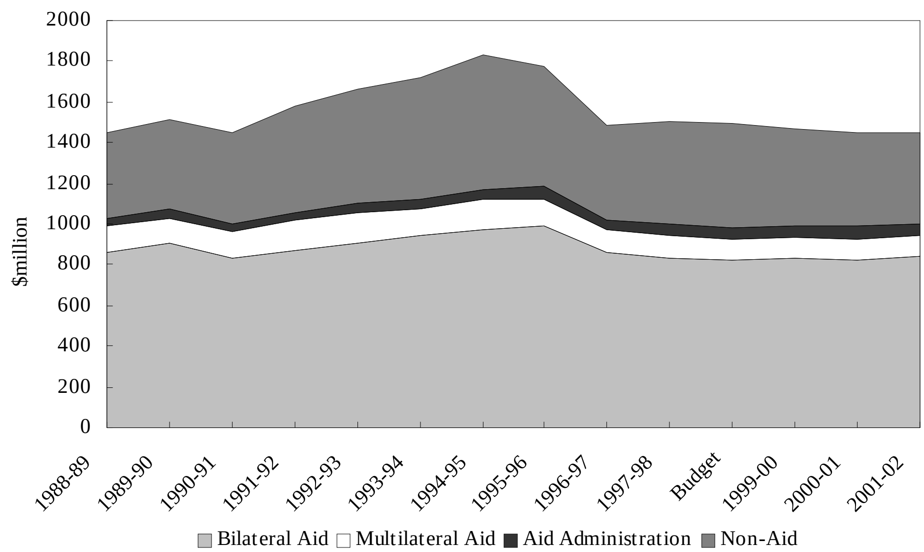
Foreign Economic Aid outlays include both aid and non-aid components. The Overseas Aid component covers outlays for which the primary purpose is to fund concessional and non-concessional assistance to other countries. The Foreign Affairs Non-Aid component covers outlays used for the conduct of foreign and international trade relations (excluding trade promotion activities) and for making contributions to international organisations such as the United Nations (UN), including for its peacekeeping operations.

As the definition of aid used in this document is different to that adopted by the OECD in its definition of Official Development Assistance (ODA), the level and composition of ODA is not reported here.

This function principally includes outlays of the following portfolios:

- Foreign Affairs and Trade;
- Finance and Administration; and
- Treasury.

Chart 1. Overview of Commonwealth Outlays on Foreign Economic Aid (1989-90 prices)



TRENDS IN FOREIGN ECONOMIC AID OUTLAYS

Increases in Overseas Aid outlays between 1988-89 and 1995-96 were primarily due to decisions taken to increase aid funding in real terms. The reduction in these outlays in 1996-97 reflects savings made in Overseas Aid, including the abolition of the Development Import Finance Facility. Overseas Aid outlays are projected to remain relatively stable in real terms from 1997-98 to 2001-02.

Growth in Foreign Affairs Non-Aid over the period since 1988-89 has largely been influenced by Australian contributions to UN peacekeeping operations and by overseas property outlays. UN peacekeeping contributions have decreased in recent years and are projected to remain at this lower level. The fluctuations between 1997-98 and 1999-2000 for Non-Aid outlays primarily reflect greater than average overseas property sales over the period, including non-representational staff housing, devolution of overseas property rental funding from the Department of Finance and Administration, and the reduction in capital works projects overseas.

1998-99 AND FORWARD ESTIMATES

			1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
1C.1	Bilateral Aid	$m	972.1	998.1	1030.7	1049.8	1097.4
		%		2.7	3.3	1.9	4.5
1C.2	Multilateral Aid	$m	132.3	118.5	126.8	129.2	132.5
		%		-10.4	7.0	1.9	2.6
1C.3	Aid Administration	$m	65.2	72.6	73.6	74.7	76.2
		%		11.3	1.4	1.5	2.0
	Sub-total - Overseas Aid	$m	1169.6	1189.2	1231.1	1253.8	1306.1
		%		1.7	3.5	1.8	4.2
1C.4	Foreign Affairs Non-Aid	$m	597.5	621.6	582.8	582.4	584.0
		%		4.0	-6.2	-0.1	0.3
	TOTAL	$m	1767.2	1810.8	1813.9	1836.2	1890.1
		%		2.5	0.2	1.2	2.9

1C.1 BILATERAL AID

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Papua New Guinea - Budget Support	$m	106.6	71.0	35.5	-	-
	%		-33.4	-50.0	-100.0	na
Projects, Technical Cooperation and Related Activities	$m	573.9	629.1	680.0	721.1	749.4
	%		9.6	8.1	6.0	3.9
Training	$m	108.6	115.2	124.7	132.4	137.7
	%		6.1	8.2	6.2	4.0
Emergency Aid	$m	40.7	33.8	34.7	35.5	39.4
	%		-17.0	2.7	2.3	11.0
Refugee Relief	$m	70.0	67.2	70.9	72.7	78.5
	%		-4.0	5.5	2.5	8.0
Non-government Organisations	$m	32.1	40.4	42.4	44.5	47.6
	%		25.9	5.0	5.0	7.0
Australian Centre for International Agricultural Research	$m	40.1	41.5	42.6	43.6	44.7
	%		3.5	2.7	2.3	2.5
TOTAL	$m	972.1	998.1	1030.7	1049.8	1097.4
	%		2.7	3.3	1.9	4.5

Bilateral Aid supports development assistance programmes provided to specific countries, such as technical and other training, education, health and other humanitarian programmes. The principal recipients of Australia's bilateral aid are countries in the Asia-Pacific region, with Papua New Guinea being the largest.

Papua New Guinea - Budget Support

Under the Papua New Guinea-Australia Treaty on Development Cooperation, Budget Support is being phased out and substituted with programmed aid.

1C.2 MULTILATERAL AID

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
United Nations Organisations	$m	67.5	58.1	59.6	61.1	62.6
	%		-13.9	2.6	2.5	2.5
Commonwealth Organisations	$m	8.8	9.7	10.0	10.2	10.5
	%		10.2	3.1	2.0	2.9
Other International Organisations	$m	23.3	18.2	22.0	20.5	20.5
	%		-21.9	20.9	-6.8	na
Regional Organisations	$m	32.7	32.5	35.2	37.4	38.9
	%		-0.6	8.3	6.2	4.0
TOTAL	$m	132.3	118.5	126.8	129.2	132.5
	%		-10.4	7.0	1.9	2.6

Multilateral aid outlays encompass contributions to UN development agencies and other international, regional and multinational organisations such as the Global Environment Facility.

1C.3 AID ADMINISTRATION

Aid Administration outlays provide for the administration costs of the Australian aid programme, including the operational costs of AusAID.

1C.4 FOREIGN AFFAIRS NON-AID

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Membership of International Organisations	$m	76.7	82.5	81.0	81.0	81.0
	%		7.6	-1.8	na	na
United Nations Peacekeeping Operations	$m	31.0	31.3	31.3	31.3	31.3
	%		1.0	na	na	na
Other Activities	$m	9.8	8.6	8.6	8.7	8.7
	%		-12.2	na	1.2	na
General Administration	$m	480.0	499.3	461.9	461.5	463.0
	%		4.0	-7.5	-0.1	0.3
TOTAL	$m	597.5	621.6	582.8	582.4	584.0
	%		4.0	-6.2	-0.1	0.3

Foreign Affairs Non-Aid outlays cover the promotion of Australia's interests through diplomatic relations with other countries, both bilaterally and through our participation in, and contributions to, international organisations and fora including UN peacekeeping operations.

Because of the nature of the events covered, the contributions for UN Peacekeeping activities are uneven and not easy to predict. The forward years, therefore, reflect a provision based on previous experience.

General administration outlays include the major part of the Department of Foreign Affairs and Trade administration costs (other than a small proportion of the Department's costs which relate to *3. Public Order and Safety*) and the administration costs of the Department of Finance and Administration’s Overseas Property Group.

1D. GENERAL RESEARCH

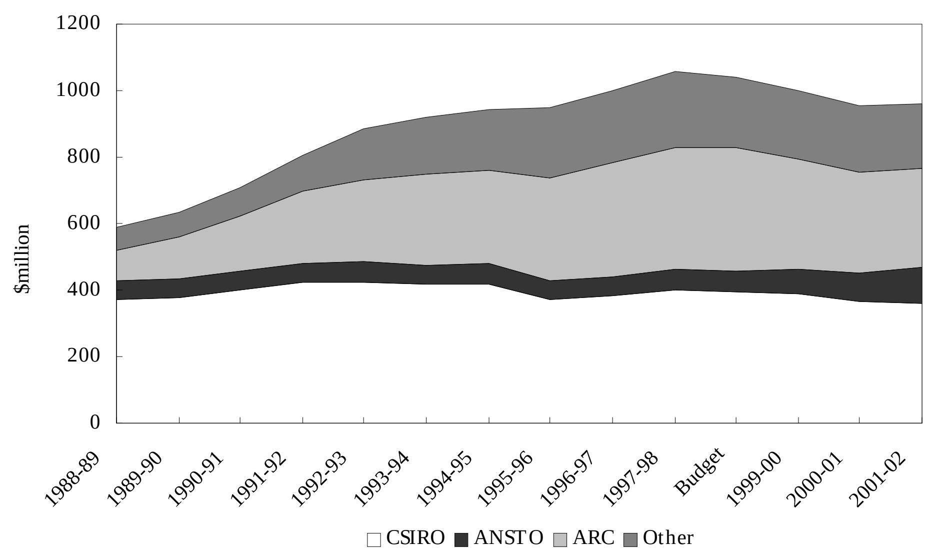
NATURE OF OUTLAYS

General Research outlays aim to increase scientific knowledge and its application. They fund: the Commonwealth research authorities (the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the Australian Nuclear Science and Technology Organisation (ANSTO), the Australian Research Council (ARC) and the Australian Institute of Marine Science (AIMS)); elements of the national research infrastructure; Antarctic research stations and associated research; and general research programmes including grants for higher education research and contributions to Cooperative Research Centres (CRC). Programmes supporting research in specific sectors are generally included under the relevant function, for example health research is included in *5. Health*.

This function includes outlays mainly from the following portfolios:

- Industry, Science and Tourism;
- Employment, Education, Training and Youth Affairs; and
- Environment.

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



TRENDS IN GENERAL RESEARCH OUTLAYS

The growth in outlays from 1988-89 to 1997-98 reflects a significant real increase in funding for the ARC, and the establishment of the CRC and Major National Research Facilities programmes.

Total outlays decline slightly over the forward estimates. This is largely explained by a decline in ARC funding for research infrastructure, collaborative research grants and the High Performance Computing and Communications Programme. The increase in ANSTO’s outlays over the forward estimates reflects funding for a replacement research reactor and the shipment of spent nuclear fuel rods overseas for processing. There is also a decrease in CSIRO funding from the cessation of specific funding for research purposes.

1998-99 AND FORWARD ESTIMATES

			1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
1D.1	Commonwealth Scientific and	$m	466.8	475.4	482.1	463.4	467.3
	Industrial Research Organisation	%		1.8	1.4	-3.9	0.8
1D.2	Australian Nuclear Science and	$m	76.7	80.0	91.7	110.1	140.8
	Technology Organisation	%		4.3	14.6	20.1	27.9
1D.3	Australian Research Council	$m	430.3	445.7	412.2	383.6	390.4
		%		3.6	-7.5	-6.9	1.8
1D.4	Other General Research, nec	$m	267.2	254.5	253.2	252.2	248.9
		%		-4.8	-0.5	-0.4	-1.3
	TOTAL	$m	1241.1	1255.6	1239.2	1209.3	1247.4
		%		1.2	-1.3	-2.4	3.2

1D.1 COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

The CSIRO, an independent statutory authority, is Australia's largest and most diverse scientific research organisation. Its primary role is to undertake scientific research which is of direct value to the community and industry. CSIRO has strong international links and maintains a substantial part of the national research infrastructure, including biological collections and some major national research facilities such as the Australia Telescope, the Australian Animal Health Laboratory, the National Measurement Laboratory and the Research Vessel *Franklin.* CSIRO contributes to Government policy formulation through the provision of expert advice on scientific and technological issues.

1D.2 AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

ANSTO is Australia's major centre of nuclear science research and development. It contributes to the development of nuclear science and technology and its application in industries which include health, mining, environment and advanced materials. ANSTO also assists with the development of Australia's nuclear non-proliferation safeguards and wider technology policies and interests.

1D.3 AUSTRALIAN RESEARCH COUNCIL

The ARC advises the Government on national research priorities and the coordination of research policy. It also makes recommendations to the Minister for Employment, Education, Training and Youth Affairs on the allocation of Commonwealth funding in a range of research schemes, including postgraduate scholarships, fellowships, research centres, infrastructure and research grants to higher education institutions and individuals.

1D.4 OTHER GENERAL RESEARCH, NEC

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Policy, Coordination and Promotion	$m	8.8	9.6	6.6	6.7	6.7
	%		9.1	-31.3	1.5	na
Cooperative Research Centres	$m	146.9	137.9	140.2	145.5	146.9
	%		-6.1	1.7	3.8	1.0
Antarctic Division	$m	61.7	62.9	62.7	63.2	63.7
	%		1.9	-0.3	0.8	0.8
Australian Institute of Marine Science	$m	16.4	18.5	19.7	20.4	19.9
	%		12.8	6.5	3.6	-2.5
International and Other Research	$m	33.5	25.5	23.9	16.4	11.7
	%		-23.9	-6.3	-31.4	-28.7
TOTAL	$m	267.2	254.5	253.2	252.2	248.9
	%		-4.8	-0.5	-0.4	-1.3

Cooperative Research Centres

The CRC programme provides support for long-term collaborative research ventures between universities, public research organisations, Government agencies and private enterprises. It aims to promote high quality research, strengthen links between research and its commercial and other applications, and provide a training ground for Australia's future researchers.

Antarctic Division

The Antarctic Division (of the Department of the Environment) maintains an Australian presence at three stations on the Antarctic continent and one on Macquarie Island. The Division's main research effort is directed at building up a systematic knowledge of the Antarctic and its environment, and understanding the role that this region has in relation to global climate change.

Australian Institute of Marine Science

AIMS undertakes research directed towards improving the understanding of the marine environment in the coastal and continental shelf regions of Australia and assists with the development, conservation and management of marine resources including the environmental sustainability of offshore resource industries and of Great Barrier Reef management plans.

International and Other Research

This subgroup includes funding for the Major National Research Facilities Programme, the Technology Diffusion Programme's international science and technology collaboration activities, the Anglo-Australian Telescope and the management of Australia's halon gas bank.

1E. GENERAL SERVICES

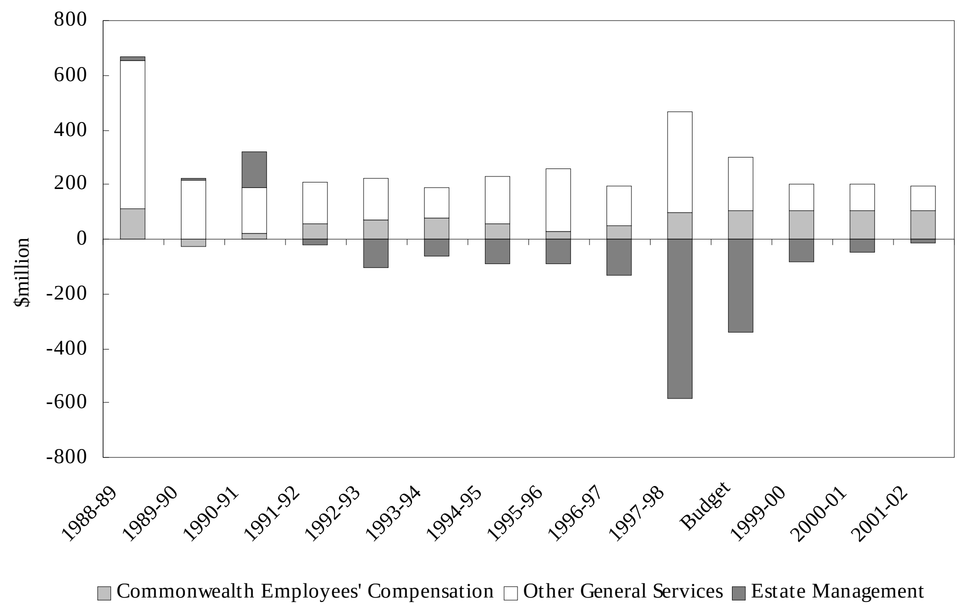
NATURE OF OUTLAYS

This function covers outlays relating to the administrative processes of Government not classified elsewhere including the provision of real property, centralised employee compensation and support services to Government departments and agencies.

This function mainly includes outlays of the following portfolios:

- Finance and Administration;
- Workplace Relations and Small Business;
- Transport and Regional Development; 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 subfunctions reflect the following significant policy changes:

- Commonwealth Employee Compensation – the introduction of revised arrangements for funding this programme including the payment of premiums (an offset within outlays) by agencies from 1989-90;

- Estate Management – positive net outlays from 1988-89 to 1991-92 are as a result of spending on the estate, and particularly in 1990-91 with spending on major developments in Sydney and Melbourne. The level of net outlays then progressively declined from 1991-92 as these major projects were completed. The increase in outlays from 1993-94 to 1994-95 reflects spending on projects in Brisbane and Canberra. The reduction in outlays from 1996-97 to 1999-2000 reflect receipts from property sales following a substantial property rationalisation programme commenced in 1996-97, with a resultant reduction in rent receipts by the end of the decade.

- Other General Services - the pattern of outlays reflects:

  — ACT self-government in May 1989;

  — the progressive introduction from the late 1980s of the commercialisation of support services (such as property and vehicles) to government departments and agencies (which has generally transferred outlays under this function to other functions); and

  — the cost of rationalisation of the former Department of Administrative Services businesses in 1996-97. The decline in 1998-99 and 1999-2000 reflects the progressive wind down of the surplus staff and property programmes as well as the other costs associated with business sale/closure. The decline in 1999-2000 also reflects savings generated from restructuring the Department, realising ongoing savings to the budget.

1998-99 AND FORWARD ESTIMATES

			1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
1E.1	Commonwealth Employees'	$m	110.4	125.9	125.8	129.5	132.0
	Compensation	%		14.0	-0.1	2.9	1.9
1E.2	Estate Management	$m	-687.7	-411.3	-104.6	-60.6	-20.7
		%		-40.2	-74.6	-42.1	-65.8
1E.3	Other General Services	$m	435.9	237.4	122.6	123.6	124.0
		%		-45.5	-48.4	0.8	0.3
	TOTAL	$m	-141.4	-48.1	143.7	192.4	235.3
		%		-66.0	na	33.9	22.3

1E.1 COMMONWEALTH EMPLOYEES' COMPENSATION

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.

1E.2 ESTATE MANAGEMENT

This covers management by the Department of Finance and Administration of the Commonwealth's ownership of Australian real property for non-defence purposes. Outlays include funding for new property developments, receipts from sale of property and rent received on the existing estate.

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, or market failure. As a result, major sales are forecast to continue through until 1999-2000. No new developments are planned, although some properties may be refurbished. The Government has outsourced the management of its office estate.

1E.3 OTHER GENERAL SERVICES

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Department of Transport and	$m	18.7	33.4	26.4	27.0	27.5
Regional Development	%		78.6	-21.0	2.3	1.9
Department of Finance and	$m	393.2	177.7	71.5	72.4	72.1
Administration	%		-54.8	-59.8	1.3	-0.4
Other	$m	24.0	26.3	24.7	24.2	24.4
	%		9.6	-6.1	-2.0	0.8
TOTAL	$m	435.9	237.4	122.6	123.6	124.0
	%		-45.5	-48.4	0.8	0.3

Department of Transport and Regional Development (DoTARD) outlays in this subfunction are running costs and other programmes administered by DoTARD 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 into line with those on mainland Australia.

Department of Finance and Administration (DoFA) programmes reported under this subfunction cover running costs and other outlays on non-financial services and commercial businesses, including Removals and AusInfo (formerly the Australian Government Publishing Service).

Other programmes in this function include outlays on the Administrative Appeals Tribunal and other small agencies not elsewhere classified.

1F. GOVERNMENT SUPERANNUATION BENEFITS

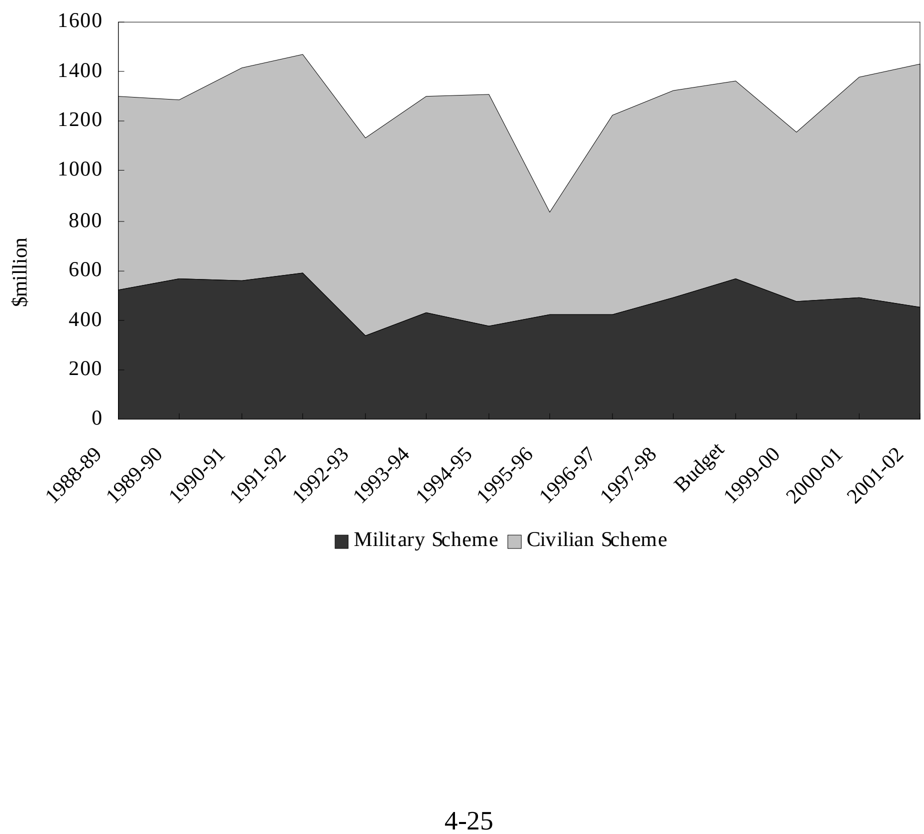
NATURE OF OUTLAYS

This function relates to outlays of the Finance and Administration and Defence portfolios associated with the Commonwealth's provision of superannuation schemes for its employees, military personnel and members of Parliament. The function also includes reimbursements to certain State schemes in respect of former State railway employees.

The major Commonwealth civilian superannuation schemes are the Public Sector Superannuation Scheme (PSS) and the Commonwealth Superannuation Scheme (CSS), while the Parliamentary Contributory Superannuation Scheme exists for members of Parliament. The Military Superannuation and Benefits Scheme and the Defence Force Retirement and Death Benefits Scheme provide benefits to military personnel.

New arrangements for funding the administration of the civilian and miltary schemes will apply from 1 July 1998. The Commonwealth Superannuation Administration (ComSuper) will become a component of the Commercial Activities Fund and will charge the relevant Boards of Trustees for administration services. The Boards will recover these costs from Departments and agencies.

Chart 1. Overview of Commonwealth Outlays on Government Superannuation Benefits (1989-90 prices)



TRENDS IN GOVERNMENT SUPERANNUATION OUTLAYS

Major features of Chart 1 are:

- decreased outlays in 1992-93 reflecting the commencement of payment by the Department of Defence of employer superannuation contributions to the Consolidated Revenue Fund;

- decreased outlays in 1995-96, due to the commencement of employer superannuation contributions by running cost departments and agencies;

- a large increase in net superannuation outlays over 1996-97 and 1997-98 due to lump sum benefit payments associated with public sector redundancies;

- an expected decrease in net superannuation outlays from 1 July 1999 due to restrictions on the payment of cash lump sum redundancy benefits; and

- an expected increase in outlays from 1 July 2000 as current members exercise an option to cease membership in the CSS and PSS from this date and employer superannuation payments to Consolidated Revenue decrease accordingly.

1997-98 AND FORWARD ESTIMATES

			1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
1F.1	Military Schemes	$m	572.0	685.5	588.2	624.6	591.4
		%		19.8	-14.2	6.2	-5.3
1F.2	Civilian Schemes	$m	986.8	965.6	841.0	1131.5	1275.0
		%		-2.1	-12.9	34.5	12.7
	TOTAL	$m	1558.8	1651.0	1429.1	1756.1	1866.4
		%		5.9	-13.4	22.9	6.3