

ATTACHMENT E

SUPPLEMENTARY EXPENSE AND CAPITAL TABLES AND THE CONTINGENCY RESERVE

EXPENSES

Table 18 shows estimates of general government expenses for 2001-02 and the forward years.

Table 18: Estimates of general government expenses

	2001-02		2002-03	
	Budget	MYEFO	Budget	MYEFO
Expenses (\$m)	160,875	164,592	166,813	168,599
<i>Real growth on previous year (%)</i>	<i>0.9</i>	<i>3.2</i>	<i>1.1</i>	<i>0.8</i>
Per cent of GDP	22.9	23.5	22.4	22.9
Net capital investment (\$m)	-1201	-812	-364	-1051
<i>Real growth on previous year (%)</i>	<i>1.1</i>	<i>-31.6</i>	<i>-70.2</i>	<i>27.4</i>
Per cent of GDP	-0.2	-0.1	0.0	-0.1
	2003-04		2004-05	
	Budget	MYEFO	Budget	MYEFO
Expenses (\$m)	173,117	175,484	178,959	181,975
<i>Real growth on previous year (%)</i>	<i>1.3</i>	<i>1.5</i>	<i>0.9</i>	<i>1.2</i>
Per cent of GDP	21.9	22.5	21.4	22.0
Net capital investment (\$m)	-266	-398	-236	-377
<i>Real growth on previous year (%)</i>	<i>-28.8</i>	<i>-63.1</i>	<i>-13.2</i>	<i>-7.4</i>
Per cent of GDP	0.0	-0.1	0.0	0.0

Table 19: General government expenses by function

	2001-02			2002-03			2003-04			2004-05		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
General public services												
Legislative and executive affairs	786	803	2	687	693	1	686	688	0	788	792	1
Financial and fiscal affairs	2,937	3,344	14	2,609	2,893	11	2,581	2,847	10	2,652	2,919	10
Foreign economic aid	1,996	2,028	2	2,118	2,088	-1	2,102	2,074	-1	2,132	2,104	-1
General research	1,641	1,679	2	1,784	1,798	1	1,950	1,956	0	2,072	2,073	0
General services	531	625	18	530	595	12	539	582	8	537	589	10
Government superannuation benefits	1,558	1,915	23	1,488	1,933	30	1,553	1,960	26	1,505	1,875	25
Defence	12,212	12,747	4	13,072	13,211	1	13,725	13,889	1	14,407	14,602	1
Public order and safety	1,693	1,742	3	1,677	1,706	2	1,669	1,704	2	1,661	1,699	2
Education	11,474	11,729	2	12,076	12,334	2	12,694	13,027	3	13,215	13,614	3
Health	26,812	27,327	2	28,545	29,115	2	30,002	30,734	2	31,655	32,577	3
Social security and welfare	68,198	68,956	1	70,739	71,880	2	73,108	74,724	2	75,374	77,379	3
Housing and community amenities	1,934	2,030	5	1,766	1,774	0	1,681	1,711	2	1,598	1,620	1
Recreation and culture	1,957	2,098	7	1,892	1,995	5	1,973	2,058	4	1,956	2,051	5
Fuel and energy	2,987	2,986	0	3,066	3,063	0	3,128	3,125	0	3,166	3,164	0
Agriculture, fisheries and forestry	1,733	1,887	9	1,725	1,792	4	1,726	1,750	1	1,579	1,604	2
Mining and mineral resources (other than fuels), manufacturing and construction	1,062	1,007	-5	1,054	1,059	0	1,058	1,056	0	995	986	-1
Transport and communication	2,530	2,815	11	2,238	2,323	4	2,008	2,096	4	1,750	1,794	3
Other economic affairs												
Tourism and area promotion	129	148	15	112	111	-1	114	113	-1	116	115	-1
Labour and employment affairs	2,845	3,435	21	2,992	3,081	3	3,007	3,148	5	3,086	3,233	5
Other economic affairs	440	448	2	415	418	1	413	413	0	417	418	0

Table 19: General government expenses by function (continued)

	2001-02			2002-03			2003-04			2004-05		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
Other purposes												
Public debt interest	5,098	5,001	-2	4,880	4,714	-3	4,386	4,222	-4	4,007	3,859	-4
Nominal superannuation interest	4,287	4,847	13	4,454	4,486	1	4,609	4,641	1	4,594	4,675	2
General purpose inter-govt transactions	4,981	5,555	12	4,132	4,516	9	3,567	3,843	8	3,127	3,369	8
Natural disaster relief	101	101	0	81	81	0	81	81	0	81	81	0
Contingency reserve(a)	919	-702	-176	2,680	932	-65	4,541	2,825	-38	6,274	4,567	-27
Asset sales	33	42	27	0	8	0	218	218	0	218	218	0
Total expenses	160,875	164,592	2	166,813	168,599	1	173,117	175,484	1	178,959	181,975	2

(a) Incorporates an \$850 million provision for estimated underspends in 2001-02.

CONTINGENCY RESERVE

The Contingency Reserve is an allowance, included in aggregate expenses figuring, to reflect anticipated events that cannot be assigned to individual programmes in the preparation of the Commonwealth budget estimates. The reserve is an estimating device used to ensure that the budget estimates are based on the best information available at the time of the MYEFO. It is not a policy reserve.

While the reserve ensures that aggregate estimates are as close as possible to expected outcomes, it is not appropriated. Allowances that are included in the reserve can only be drawn upon once they have been appropriated by Parliament.

The Contingency Reserve makes allowance in 2001-02 and the forward years for anticipated events, including the following:

- an allowance for the tendency for estimates of expenses for existing government policy to be revised upwards in the forward years;
- an allowance for the tendency for the estimates of administered expenses for some specific agencies or functions to be overstated in the budget year;
- commercial-in-confidence and national security-in-confidence items that cannot be disclosed separately;
- decisions made too late for inclusion against individual agency estimates; and
- the effect on the budget and forward estimates of economic parameter revisions received late in the process and hence not able to be allocated to individual agencies or functions.