

ATTACHMENT D

**SUPPLEMENTARY EXPENSE AND CAPITAL TABLES AND THE
CONTINGENCY RESERVE**

EXPENSES

Table 17 shows estimates of Commonwealth general government expenses by function for 2002-03 and the forward years.

Table 17: Estimates of Commonwealth general government expenses by function

	2002-03			2003-04			2004-05			2005-06		
	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	716	734	3	677	694	3	782	802	3	687	712	4
Financial and fiscal affairs	3,097	3,084	0	3,232	3,139	-3	3,306	3,198	-3	3,541	3,424	-3
Foreign affairs and economic aid	2,194	2,325	6	2,143	2,153	0	2,083	2,187	5	2,377	2,318	-2
General research	1,884	1,859	-1	2,033	2,023	0	2,166	2,137	-1	2,366	2,337	-1
General services	420	482	15	435	501	15	443	515	16	446	519	16
Government superannuation benefits	1,799	1,895	5	1,856	1,959	6	1,910	2,020	6	1,912	2,026	6
Defence	13,144	13,250	1	14,011	13,927	-1	14,417	14,247	-1	14,970	14,719	-2
Public order and safety	2,000	2,078	4	2,032	2,083	3	2,014	2,061	2	2,029	2,088	3
Education	12,324	12,324	0	13,044	13,003	0	13,634	13,610	0	14,258	14,225	0
Health	29,054	29,377	1	30,514	30,672	1	32,245	32,427	1	33,819	34,015	1
Social security and welfare	72,894	72,561	0	75,979	75,483	-1	78,979	78,743	0	81,597	82,142	1
Housing and community amenities	1,866	1,901	2	1,720	1,677	-3	1,693	1,679	-1	1,630	1,636	0
Recreation and culture	2,068	2,108	2	2,099	2,151	2	2,107	2,140	2	2,082	2,124	2
Fuel and energy	3,290	3,523	7	3,359	3,783	13	3,430	3,968	16	3,489	4,141	19
Agriculture, fisheries and forestry	1,792	1,814	1	1,761	1,765	0	1,735	1,726	-1	1,614	1,601	-1
Mining and mineral resources (other than fuels), manufacturing and construction	1,439	1,621	13	1,481	1,661	12	1,438	1,598	11	1,082	1,280	18
Transport and communication	2,263	2,328	3	2,096	2,174	4	2,204	2,252	2	1,731	1,741	1
Other economic affairs												
Tourism and area promotion	136	136	0	130	133	2	133	137	3	136	138	1
Labour and employment affairs	3,200	3,266	2	3,266	3,352	3	3,313	3,382	2	3,375	3,424	1
Other economic affairs	527	621	18	533	652	22	539	659	22	545	671	23

Table 17: General government expenses by function (continued)

	2002-03			2003-04			2004-05			2005-06		
	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	4,522	4,548	1	3,953	3,893	-2	3,536	3,425	-3	2,994	2,786	-7
Nominal superannuation interest	4,945	5,025	2	5,104	5,055	-1	5,054	5,078	0	5,299	5,201	-2
General purpose inter-government transactions	4,449	4,276	-4	3,916	3,804	-3	3,504	3,661	4	3,713	3,955	7
Natural disaster relief	133	139	5	104	104	0	94	94	0	94	94	0
Contingency reserve(a)	33	-608	-1942	2,099	1,338	-36	4,133	3,414	-17	6,247	5,363	-14
Total expenses	170,192	170,666	0	177,578	177,177	0	184,889	185,160	0	192,035	192,681	0

(a) Contingency Reserve includes matters subject to commercial-in-confidence including certain price assumptions relating to asset sales.

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 general 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 2002-03 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.

