

STATEMENT 6: EXPENSES AND NET CAPITAL INVESTMENT

Statement 6 presents estimates of general government sector expenses, allocated according to the various functions of government, and net capital investment, on an accrual accounting basis.

The key points of interest reported in this statement include:

- general government sector expenses are expected to decline as a share of Gross Domestic Product (GDP) in 2010-11, reflecting the withdrawal of government stimulus spending introduced during 2008-09 and 2009-10 to help cushion the impact of the global economic crisis. General government sector expenses are expected to gradually decline as a share of GDP across the forward years;
- significant areas of expenses in 2010-11 will be in the social security and welfare (32.4 per cent of total expenses), other purposes (19.4 per cent), health (16.0 per cent), education (9.3 per cent) and defence (5.9 per cent) functions;
- the strongest real growth across the Budget and forward estimates period is expected to occur in the transport and communication (31.9 per cent), health (30.7 per cent), mining, manufacturing and construction (20.1 per cent), and social security and welfare (5.4 per cent) functions;
- the Government's health and hospitals reform package (see below) has affected functional expense totals and growth rates, primarily caused by the transfer of general revenue assistance to the States and Territories from the other purposes function to the health function from 2011-12; and
- net capital investment expenses are expected to increase in 2010-11, largely due to the projected growth in defence investment.

The Government's fiscal stimulus packages continue to significantly affect trends in expenses by function. Further details are provided in Box 1.

A number of programs have been reclassified during 2009-10 and these have had a material impact on the functional expenses. More information is provided in Box 2.

On 20 April 2010, the Council of Australian Governments, with the exception of Western Australia, reached agreement on significant reform to Australia's health and hospital system – the establishment of a *National Health and Hospitals Network*. The package of additional investments, comprising expenses and capital, totals \$7.3 billion over five years. More information on this reform is provided in Box 5.

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OVERVIEW

Australian Government general government sector expenses are expected to increase slowly in real terms in 2010-11 and across the forward years. Total expenses are expected to decrease as a percentage of GDP over the forward estimates.

Table 1: Estimates of general government sector expenses

	MYEFO(a)	Revised	Estimate		Projections	
	2009-10	2009-10	2010-11	2011-12	2012-13	2013-14
Total expenses (\$b)	340.2	343.1	354.6	364.6	381.0	398.0
Real growth on						
previous year (%) ^(b)	2.4	3.3	0.5	0.3	2.0	1.9
Per cent of GDP	26.8	26.5	25.2	24.5	24.3	24.0

(a) GDP forecasts for the 2009-10 Budget were prepared according to the System of National Accounts 1993, while forecasts for MYEFO and the 2010-11 Budget were prepared according to the System of National Accounts 2008.

(b) Real growth is calculated using the Consumer Price Index.

The Government's fiscal stimulus packages, which were introduced to cushion the impact on Australia of the global financial crisis, continue to influence the total expense estimates in 2010-11. Real growth slows in 2010-11 and 2011-12, reflecting the temporary nature of these packages, then levels out in 2012-13 and 2013-14.

In underlying cash terms, real growth in payments is negative 0.6 per cent in 2011-12, 1.7 per cent in 2012-13 and 1.9 per cent in 2013-14. This is consistent with the Government's fiscal strategy to hold real growth in spending to 2.0 per cent per annum when economic growth returns to above trend levels.

GENERAL GOVERNMENT SECTOR EXPENSES

Reconciliation of expenses since the 2009-10 Budget

Table 2 provides a reconciliation of expenses estimates between the 2009-10 Budget, *Mid-Year Economic and Fiscal Outlook 2009-10* (MYEFO) and the 2010-11 Budget showing the effect of policy decisions, and economic parameter and other variations.

1 The figures in this statement are presented on an accrual basis and may differ from cash payments. The difference between the two measures is because expenses are recorded when they are incurred (for example when the good or service is received) while payments are reported when the cash is exchanged.

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Table 2: Reconciliation of expense estimates

	Estimates			Projections
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m
2009-10 Budget expenses	338,213	344,528	356,388	374,990
Changes between 2009-10 Budget and MYEFO				
Effect of policy decisions(a)	49	-1,491	-354	-329
Effect of parameter and other variations	1,905	1,943	2,471	3,413
Total variations	1,954	452	2,117	3,084
2009-10 MYEFO expenses	340,166	344,980	358,505	378,075
Changes between MYEFO and 2010-11 Budget				
Effect of policy decisions(a)	1,916	3,468	1,691	-2,574
Effect of economic parameter variations				
Total economic parameter variations	2,007	2,501	3,265	4,046
<i>Unemployment benefits</i>	-531	-1,757	-1,442	-1,035
<i>Prices and wages</i>	385	1,821	2,109	2,531
<i>Interest and exchange rates</i>	-31	-95	-92	-94
<i>GST payments to the States</i>	2,185	2,532	2,691	2,644
Public debt interest	-398	-137	-902	-1,815
Program specific parameter variations	1,911	2,347	1,211	2,016
Slippage in 2009-10 Budget decisions(b)	-124	887	-132	-16
Other variations	-2,356	599	935	1,265
Total variations	2,955	9,664	6,068	2,922
2010-11 Budget expenses	343,122	354,644	364,573	380,997

(a) Excludes secondary impacts on public debt interest of policy decisions.

(b) The amounts in all years relate to the delay in Private Health Insurance reform due to the rejection of legislation by the Senate.

Box 1: The Government's economic stimulus packages

In response to the global financial crisis, the Government implemented a number of economic stimulus measures. During 2008-09, the Government announced the *Economic Security Strategy* and the *Nation Building and Jobs Plan* and supplemented this in the 2009-10 Budget with further investment in nation building infrastructure.

The temporary and targeted nature of the packages resulted in the impact being primarily directed at 2008-09 and 2009-10.

As the economy recovers, these packages are, by design, being withdrawn. As a result, real growth in those targeted functions shows a relative decline over the forward estimates. This can mask the Government's underlying commitment to these functions. For example, real spending in education is declining by 12.0 per cent on average between 2010-11 and 2013-14. However, abstracting from the impact of the stimulus, real spending on education over that period is expected to rise by 8.8 per cent per annum on average.

The major components of the stimulus packages that remain in the 2010-11 estimates include:

- Building the Education Revolution (education function);
- investment in social housing (housing and community amenities function); and
- Nation Building Plan for the future (transport and communication function).

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Estimated expenses by function

Table 3 sets out the estimates of Australian Government general government sector expenses by function for the period 2009-10 to 2013-14.

Table 3: Estimates of expenses by function

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
General public services	18,864	20,137	20,922	21,739	22,716
Defence	20,620	21,000	20,540	21,323	22,883
Public order and safety	3,936	3,878	3,860	3,944	3,972
Education	34,895	32,996	29,577	30,275	31,262
Health	52,786	56,880	71,958	75,761	80,085
Social security and welfare	109,675	114,961	119,792	125,187	130,547
Housing and community amenities	9,270	5,432	4,212	4,173	4,174
Recreation and culture	3,208	3,246	3,159	3,139	3,150
Fuel and energy	8,971	7,607	7,287	7,072	6,800
Agriculture, forestry and fishing	3,330	3,587	3,038	2,624	2,342
Mining, manufacturing and construction	1,690	1,990	2,476	2,513	2,573
Transport and communication	6,837	4,932	6,664	8,247	7,006
Other economic affairs	8,796	9,150	8,612	8,548	8,489
Other purposes	60,244	68,846	62,476	66,452	71,982
Total expenses	343,122	354,644	364,573	380,997	397,981

Major expense variations between 2009-10 and 2010-11 and across the forward estimates include movements in the following functions:

- **other purposes** – an increase of \$8.6 billion in 2010-11 arising primarily from additional forecast expenses under General Revenue Assistance to the States and Territories and an expected increase in public debt;
- **social security and welfare** – an increase of \$5.3 billion in 2010-11 largely due to the indexation of personal benefits and income support payments, such as the age pension, and demographic and social factors such as the ageing population, which will continue to influence growth over the forward years;
- **health** – an increase of \$4.1 billion in 2010-11 largely due to the agreement to establish a *National Health and Hospitals Network* (NHHN). This includes payments made as part of the additional investments package in 2010-11 which will deliver a better health and hospital system for all Australians;
- **housing and community amenities** – a decrease of \$3.8 billion in 2010-11 primarily reflecting the phasing down of the investment in social housing stimulus measure; and
- **transport and communication** – a decrease of \$1.9 billion in 2010-11 reflects Government decisions to bring forward funding to 2009-10 for high priority road infrastructure projects.

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The estimates presented in Table 3 are explained in greater detail for each individual function in the following pages.

Box 2: Major functional movements between 2009-10 and 2010-11

The Government introduced new program reporting arrangements from 2009-10, following a review during 2008-09 of the functional classification of expenses by program. The result is improved allocation of expenses by function, more robust functional expenses data, and consistency of reporting across government.

Implementation of these new reporting arrangements identified additional programs requiring reclassification from 2010-11 onwards. Table 3.1 provides the estimated impact of these reclassifications on the functional reporting of expenses between 2009-10 and 2010-11.

Table 3.1: Estimated impact of reclassifications on the functional reporting of expenses

	Impact on expenses
	2010-11
	\$m
Public order and safety	48
Education	147
Health	25
Social security and welfare	-581
Housing and community amenities	359
Agriculture, forestry and fishing	-27
Transport and communication	29
Total	0

The Government's Operation Sunlight classification changes took effect from 2009-10, with these additional changes above taking effect from 2010-11. Caution should therefore be exercised in making comparisons with 2008-09 and earlier years. Table 3.1 should assist in reconciling changes between 2009-10 and 2010-11.

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Box 3: Program expenses

The new requirement in 2009-10 for agencies to disclose program data in their Portfolio Budget Statements using the new structure provided greater transparency on expected expenses within the general government sector.

Table 3.2 reports the top 20 programs in terms of expenses in the 2010-11 financial year. These programs represent 61.8 per cent of total expenses in that year. The revenue assistance to the States and Territories program comprises 13.7 per cent of total expenses for 2010-11. Of the remaining programs in the top 20, more than half provide services to seniors, families, the sick and disabled, students, carers and the unemployed.

Table 3.2: Top 20 programs by expenses in 2010-11

Program	Agency	Estimates			Projections	
		2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Revenue assistance to the States and Territories	Treasury	45,246	48,637	38,144	40,089	41,863
Income support for seniors	FaHCSIA	29,421	31,949	33,956	36,534	38,542
Family tax benefit	FaHCSIA	17,796	17,747	17,849	18,207	18,594
Medicare services	Health	15,700	16,243	16,893	17,988	19,266
Disability support pension	FaHCSIA	11,869	12,913	13,381	13,886	14,297
Assistance to the States for healthcare services	Treasury	11,224	12,036	26,575	28,695	30,959
Pharmaceuticals and pharmaceutical services	Health	8,674	9,232	9,716	10,079	10,734
Non government schools - national support	DEEWR	6,628	7,093	7,622	8,223	8,892
Job seeker income support	DEEWR	7,025	7,036	7,253	7,577	8,132
Higher education support	DEEWR	6,143	6,569	6,623	6,809	7,154
Residential care	Health	5,995	6,457	6,696	7,012	7,489
Public sector superannuation [^]	Finance	5,877	5,954	6,043	6,148	6,266
Parents' income support	DEEWR	5,562	5,595	5,634	5,805	5,975
Fuel tax credits scheme	ATO	5,118	5,162	5,289	5,680	5,799
Income support for carers	FaHCSIA	4,079	5,101	5,686	6,370	7,137
Army Capabilities	Defence	4,686	4,892	5,072	5,194	5,411
Private health insurance	Health	4,312	4,441	3,498	3,557	3,557
National Partnership Payments - Government Schools	Treasury	6,540	4,103	1,103	538	226
Defence support	Defence	3,568	4,056	3,980	4,348	4,742
Air Force Capabilities	Defence	4,246	4,004	4,075	4,177	4,293
Sub-total		209,709	219,219	225,088	236,916	249,326
All other programs [#]		133,413	135,425	139,484	144,081	148,655
Total expenses		343,122	354,644	364,573	380,997	397,981

[^] This is a combination of public sector superannuation nominal interest and benefits programs.

[#] There is a total of 536 programs.

Note: Details of the Commonwealth debt management program can be found in Table 17.

General public services

The general public services function includes expenses relating to the organisation and operation of government such as those related to the Parliament, the Governor-General and conduct of elections; the collection of taxes and management of public funds and debt; assistance to developing countries to reduce poverty and achieve sustainable development, particularly countries in the Pacific region; contributions to international organisations; and the operations of the foreign service. It also includes expenses related to research in areas not otherwise connected with a specific function, and those associated with overall economic and statistical services as well as government superannuation benefits (excluding nominal interest expenses on unfunded liabilities which are included under the nominal superannuation interest sub-function in the other purposes function).

Table 4: Summary of expenses — general public services

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Legislative and executive affairs	882	1,057	927	913	1,061
Financial and fiscal affairs	6,581	6,521	7,130	7,293	7,134
Foreign affairs and economic aid	4,848	5,575	6,006	6,696	7,682
General research	2,535	2,791	2,659	2,606	2,495
General services	730	707	701	694	695
Government superannuation benefits	3,288	3,485	3,498	3,537	3,647
Total general public services	18,864	20,137	20,922	21,739	22,716

Total general public services expenses are estimated to increase in real terms by 4.8 per cent, or 1.6 per cent per annum on average, over the forward years.

The most significant increase is in the **foreign affairs and economic aid** sub-function, demonstrating the Government's commitment to raise the level of Australia's Official Development Assistance (ODA) over the long term.

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Table 4.1: Trends in the major components of foreign affairs and economic aid sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Official Development Assistance(a)(b)	3,137	3,879	4,326	5,154	6,160
PNG and Pacific	866	903	1,035	1,084	1,023
Africa, South and Central Asia, Middle East and other	665	879	856	969	975
East Asia	869	867	1,034	1,168	1,146
Emergency, humanitarian and refugee programs	222	300	329	349	352
UN, Commonwealth and other international organisations	228	225	430	503	511
Multilateral replenishments	0	173	75	79	114
NGO, volunteer and community programs	110	135	141	146	150
Other(c)	177	397	426	856	1,889
International deployments	346	326	309	274	270
Payments to international organisations	252	254	254	254	254
Passport services	204	201	210	223	230
Consular services	83	80	78	81	81
International agricultural research and development	73	78	87	89	86
Finance and insurance services for Australian exporters and investors	66	57	51	45	40
Other	687	700	691	576	561
Total	4,848	5,575	6,006	6,696	7,682

(a) The difference between these figures and the Government's ODA target is due primarily to the way multilateral replenishments are recorded for ODA purposes. Expenses relating to multilateral replenishments are recognised in accrual terms when initial commitments are made. However, ODA targets are measured in cash terms and reflect the timing of actual cash payments (which, in the case of multilateral replenishments, can be spread over several years).

(b) Some minor ODA delivered by other government departments may be classified to other programs or functions.

(c) Other includes AusAID's departmental expenses and the provision available for future aid spending in the ODA Contingency Reserve (CR) in the Budget and forward years. The ODA CR represents the difference between the amount of ODA already committed by Australia and the Government's target levels of ODA (0.33 per cent of Gross National Income in 2010-11).

Expenses relating to the **financial and fiscal affairs** sub-function are also forecast to grow over the forward years, with a slight decrease in 2010-11. This is largely a result of a number of new initiatives which will strengthen the ATO's compliance and enforcement activities.

The national census on 9 August 2011 will result in an increase in expenses for the Australian Bureau of Statistics in 2010-11 and 2011-12. Expenses will return to trend from 2012-13 onwards.

Increased expenses are also anticipated in the **government superannuation benefits** sub-function. This largely reflects higher public service and military superannuation benefits due to increases in the average salary on which benefits are determined.

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Total expenses within the **legislative and executive affairs** sub-function are forecast to increase in 2010-11 and again in 2013-14 as a result of scheduled federal general elections in those financial years.

The **general research** sub-function incorporates expenses incurred by the Commonwealth Scientific and Industrial Research Organisation, the Australian Nuclear Science and Technology Organisation, the Australian Institute of Marine Science and the Australian Research Council. The table below sets out the major components of general research sub-function expenses.

Table 4.2: Trends in the major components of general research sub-function expenses

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Science and research capacity	562	769	518	334	152
National research flagships	539	552	565	578	597
Core research and services	473	466	478	489	509
Discovery - research and research training	395	446	500	536	550
Linkage - cross sector research partnerships	283	288	325	336	332
Science and technology solutions	217	237	229	230	234
Other	66	33	44	103	121
Total	2,535	2,791	2,659	2,606	2,495

Total expenses within the general research sub-function are forecast to increase by 7.1 per cent in real terms in 2010-11. The estimated increase in expenses in 2010-11 is due primarily to the science and research capacity program, with \$68 million for the establishment of the Commonwealth Strategic Relationship with the Australian National University and \$79 million for a number of Education Investment Fund (EIF) projects being brought forward from 2011-12 to 2010-11. The other key driver of the estimated increase in expenses in 2010-11 is the increase in the Discovery scheme, predominantly as a result of funding for the Future Fellowship scheme rising by \$32 million in 2010-11 compared to 2009-10.

Expenses for research grants administered by the Australian Research Council are expected to grow by an annual average of 4.6 per cent in real terms for the Discovery – Research and Research Training scheme and 2.3 per cent per annum in real terms for the Linkage – Cross Sector Research Partnerships scheme.

The profile of expenses for the science and research capacity program reflects payments made from the National Collaborative Research Infrastructure Strategy (NCRIS), which is due to terminate in 2010-11, and investments from the EIF. These latter expenses form part of the Government's response to the Review of the National Innovation System and includes the three components of the Super Science Initiative – Future Industries; Marine and Climate; and Space and Astronomy.

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Defence

Agencies covered by the defence function include the Department of Defence (Defence) and the Defence Materiel Organisation (DMO). Defence expenses support Australian military operations overseas and the delivery of navy, army, air and intelligence capabilities and strategic policy advice in the defence of Australia and its national interests. The DMO contributes to the preparedness of the Australian defence organisation through acquisition and through-life support of military equipment and supplies.

The defence function records the majority of expenses incurred by the Defence portfolio, except for those incurred by the Department of Veterans' Affairs, superannuation payments to retired military personnel, and housing assistance provided through Defence Housing Australia. These expenses are reported under the social security and welfare, other purposes, and housing and community amenities functions, respectively.

Table 5: Summary of expenses — defence

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Defence	20,620	21,000	20,540	21,323	22,883
Total defence	20,620	21,000	20,540	21,323	22,883

Defence function expenses are estimated to increase by \$380 million in 2010-11, reflecting the guaranteed funding under the 2009 Defence White Paper less the recent movements in foreign exchange rates and the treatment of funding for Defence operations. The Government funds these operations on a year-by-year basis and on a no win/no loss basis, and the forward estimates of expenses do not provide for extensions of currently approved operations. These extensions are instead subject to future Government policy decisions.

In 2010-11, additional funding of \$1.1 billion is being provided to support Defence overseas operations in the Middle East, East Timor and the Solomon Islands. The Government will also provide \$20 million in 2010-11 to enable the Australian Defence Forces to provide security and support to other Australian Government agencies operating in Afghanistan.

Box 4: Defence funding

Total Defence expenditure is estimated to increase by \$1.6 billion in 2010-11 (6.6 per cent in 2010-11 – see Table 5.1). Such expenditure (measured in accrual fiscal balance terms) comprises expenses and net capital investment. Expenses for the defence function are those incurred in undertaking its day-to-day activities. Net capital investment represents expenditure to acquire capital items in the form of equipment, buildings and land, less depreciation expenses.

Table 5.1: Total defence expenditure

	Estimates			Projections		Average annual growth(a)
	2009-10	2010-11	2011-12	2012-13	2013-14	
	\$m	\$m	\$m	\$m	\$m	
Expenses	20,620	21,000	20,540	21,323	22,883	2.6
Net Capital Investment	3,361	4,559	3,949	2,831	3,175	-1.4
Total defence spending	23,981	25,559	24,489	24,154	26,058	2.1
Nominal growth (percentage)	7.9	6.6	-4.2	-1.4	7.9	
Real growth (percentage)	5.4	3.7	-6.5	-3.8	5.3	-0.5

(a) Over the period 2009-10 to 2013-14.

Investment spending in the defence function is proportionately higher than that for other functions, due to the acquisition of large and complex platforms and military equipment, and the construction of support facilities.

The growth of investment spending can experience significant annual fluctuations, including the result of slippage in expenditure from one year to the next year (or to later years), foreign exchange rate fluctuations, and in response to additional supplementary funding decisions of Government. Further details of defence investment spending are provided in the net capital investment section of this statement at page 6-47.

Military equipment projects usually involve uneven expenditures throughout their development and life cycle extending over long periods of time, which may lead to fluctuations in levels of net capital investment from year to year. Expenditure is also subject to slippage if project timelines are not met.

The funding model from the 2009 Defence White Paper will drive Defence spending in years beyond the forward estimates period. Under the Strategic Reform Program (SRP) \$20 billion in savings will be identified and reinvested within Defence to 2020. The SRP will drive the reforms needed to deliver and sustain Defence’s planned Force 2030, as set out in the White Paper, within the funding envelope agreed by Government.

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Public order and safety

Expenses under the public order and safety function support the administration of the federal legal system and the provision of legal services, including legal aid, to the community. Public order and safety expenses also include law enforcement and intelligence activities, and the protection of Australian Government property.

Table 6: Summary of expenses — public order and safety

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Courts and legal services	858	809	805	813	819
Other public order and safety	3,078	3,069	3,055	3,131	3,153
Total public order and safety	3,936	3,878	3,860	3,944	3,972

Total expenses for the public order and safety function are estimated to decrease by 4.9 per cent in real terms from 2010-11 over the forward years, or by 1.7 per cent per annum on average in real terms.

Expenses within the **courts and legal services** sub-function are expected to decrease by 6.1 per cent in real terms from 2010-11 over the forward years, or by 2.1 per cent per annum on average. These decreases are the result of efficiencies within the federal justice system, along with the termination of programs requiring funding for public prosecutions.

Expenses for the **other public order and safety** sub-function are expected to decrease by 4.6 per cent in real terms from 2010-11 over the forward years, or by 1.6 per cent per annum on average. The decrease in expenses in 2011-12 results from efficiency gains in the delivery of security programs and stabilisation of expenses after significant increases in this sub-function in the preceding years. There has been a partly offsetting increase in expenses from 2011-12 representing the Government's previously announced commitment to deliver additional sworn Australian Federal Police officers to work on high impact criminal investigations and its continued investment in intelligence capabilities and combating organised crime.

Education

Education expenses support the delivery of education services through higher education institutions; vocational education and training (VET) providers (including technical and further education institutions); and government (State and Territory) and non-government primary and secondary schools.

Table 7: Summary of expenses — education

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Higher education	7,541	8,124	8,279	8,586	9,103
Vocational and other education	2,007	2,050	2,121	2,179	1,856
Schools	19,294	16,389	12,620	12,756	13,402
Non-government schools	9,466	8,779	7,778	8,223	8,892
Government schools	9,828	7,610	4,842	4,533	4,510
Student assistance	4,263	5,160	4,983	5,042	5,240
General administration	333	342	322	296	291
School education - specific funding	1,458	930	1,253	1,416	1,371
Total education	34,895	32,996	29,577	30,275	31,262

The profile of total expenses in the education function reflect the conclusion of the \$16.2 billion *Building the Education Revolution* (BER) package, which peaked at \$9.1 billion in 2009-10. BER expenses are expected to be \$5.4 billion in 2010-11 and then further decline to comprise a relatively minor part of total education expenses in 2011-12. Abstracting from the impact of the stimulus, real spending on education is expected to rise by 8.8 per cent per annum on average between 2010-11 and 2013-14.

Expenses relating to the **higher education** sub-function are expected to increase by 4.0 per cent in real terms over the forward years. This primarily reflects the impact of major reforms to higher education, including the introduction of a demand driven student enrolment system. The significant rise in expected expenses in 2010-11 (4.8 per cent in real terms) reflects a large increase in the number of higher education enrolments in 2009 and 2010, following the Government's decision to lift the cap on funding for over-enrolment from 5 per cent to 10 per cent in 2010 and 2011. This is expected to moderate from 2011-12.

Expenses under the **vocational and other education** sub-function are expected to remain largely stable from 2009-10 to 2012-13. While the Government's 2010-11 Budget decision to expand its higher education loans program (VET FEE-HELP) is expected to significantly increase expenses from 2010-11, this is partly offset by a reduction in expenses from National Partnership payments for vocational and other education. This decrease in expenses is due to the completion of TAFE projects funded from the Tertiary Learning and Capital Fund for VET, which was announced as part of the December 2008 *Nation Building* package. The significant decline in expected expenses in 2013-14 reflects the Government's redirection of funding from the Productivity Places Program to support the *Skills for Sustainable Growth* package (further details are provided in the other economic affairs function at page 6-39).

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The major components of this sub-function are set out in Table 7.1.

Table 7.1: Trends in the major components of vocational and other education sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Payment to/through States					
National Skills and Workforce Development	1,318	1,339	1,363	1,389	1,416
National Partnership Payments					
Vocational and Other Education	427	360	397	398	23
Adult english migrant program	209	212	214	218	221
VET Higher Education Loans Program	22	129	146	174	195
Other	31	10	1	0	1
Total	2,007	2,050	2,121	2,179	1,856

While total expenses within the **schools** sub-function are expected to decline in both 2010-11 and 2011-12 with the completion of the BER stimulus package, the Government's ongoing funding to schools is expected to continue to increase. Within the **schools – government schools** component, core funding for schools is expected to increase at a real average annual rate of 4.3 per cent over the forward estimates.

Expenses under the **student assistance** sub-function are expected to rise by 17.8 per cent in real terms in 2010-11. This is driven primarily by a rise in expenses in the tertiary student assistance program, reflecting the impact of student income support reforms, including the introduction of the Student Start-Up Scholarship and Relocation Scholarship for university students from 1 April 2010, and by changes to the parental income test for Youth Allowance from 1 July 2010. The forecast increase in expenses also reflects the impact of transitional arrangements for 2009 'gap year' students and rural and regional students.

After the initial increase in expenses in 2010-11, the impact of savings in the tertiary student assistance program announced in the 2009-10 Budget are expected to result in a reduction in expenses in real terms over the forward estimates. These savings will gradually increase over this period as the grandfathering arrangements for existing recipients expire.

Expenses within the student assistance sub-function are also driven by costs associated with providing concessional loans under the Higher Education Loan Program (HELP). These costs reflect estimates of debt not expected to be repaid and deferral costs associated with providing concessional loans to students. HELP expenses are expected to be \$1.0 billion in 2010-11 and then rise by 11.7 per cent in real terms from 2010-11 to 2013-14. This primarily reflects the impact of the Government's 2009-10 Budget decision to introduce a demand driven student enrolment system.

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The major components of the student assistance sub-function are set out in Table 7.2.

Table 7.2: Trends in the major components of student assistance sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Tertiary student assistance	2,590	3,162	2,918	2,878	2,962
Higher Education Loan Program	945	1,039	1,104	1,174	1,251
Education tax refund	515	742	748	778	813
School student assistance	196	198	194	195	195
Veterans' children education scheme	17	18	18	18	19
Total	4,263	5,160	4,983	5,042	5,240

Expenses under the **school education – specific funding** sub-function will be relatively volatile over the forward estimates. This is due to the sub-function containing several large-scale programs with different expected termination and expense profiles. The major components of the sub-function are the *Digital Education Revolution* package; the National Partnership for Early Childhood Education – Universal Access to Early Childhood Education (Universal Access); Trade Training Centres in Schools; and a number of elements of the Closing the Gap package. The initial decrease between 2009-10 and 2010-11 is due to the reduction of Digital Education Revolution expenses following the upfront funding for capital investment. Expenses in 2011-12 and 2012-13 are expected to increase largely as a result of additional funding for Universal Access in those years.

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Health

The health function includes expenses relating to: medical services funded through Medicare and the Private Health Insurance Rebate; payments to the States and Territories to deliver essential health services; the Pharmaceutical Benefits and Repatriation Pharmaceutical Benefits Schemes; blood and blood products; population health initiatives; and health education and training services.

Table 8: Summary of expenses — health

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Medical services and benefits(a)	22,251	22,893	22,595	24,087	25,534
Hospital services	2,198	3,025	2,609	2,714	2,701
National health and hospitals network(b)	11,224	12,036	26,575	28,695	30,959
Pharmaceutical services and benefits	9,808	10,248	10,762	11,076	11,740
Aboriginal and Torres Strait Islander health	642	711	707	678	701
Health services	5,045	6,002	6,322	5,859	5,840
General administration	1,619	1,963	2,388	2,652	2,611
Total health	52,786	56,880	71,958	75,761	80,085

(a) The estimated financial impact of premium growth on the forward estimates for the Private Health Insurance Rebate has been allocated to the Contingency Reserve, due to commercial sensitivities.

(b) The name of this sub-function has been changed from 'National Healthcare Specific Purpose Payment' to better reflect the 2010 COAG health and hospitals reform. However, the National Healthcare Specific Purpose Payment will remain in place for the 2009-10 and 2010-11 years. Western Australia will continue to receive the National Healthcare Specific Purpose Payment whilst it is not a signatory to the *National Health and Hospitals Network*.

The major purpose of expenses under the health function is to ensure that all Australians have access to essential health services through a range of providers and without excessive price barriers. Expenses relating to health are projected to be a major contributor to the growth in Commonwealth Government spending in future decades. At the time of this Budget, total expenses for this function are estimated to increase by 30.7 per cent in real terms from 2010-11 over the forward years, or by 9.3 per cent per annum on average in real terms. These growth estimates include the impact of retaining and dedicating an agreed proportion of the GST to health and hospital services as part of the *National Health and Hospitals Network* (NHHN) reforms.

The NHHN reforms, together with other new expense measures, have resulted in substantial change to the projected level and pattern of expenses in several health sub-functions. A new sub-function, *National Health and Hospitals Network*, has been created to account for the Government's spending through the NHHN Fund. The reforms announced in *A National Health and Hospitals Network for Australia's Future* mean the Commonwealth Government will become the dominant funder of the hospital system and have full funding responsibility for general practitioner and primary care. Further details of the expenses associated with these reforms, which were agreed to by COAG on 20 April 2010, with the exception of Western Australia, is provided in Box 5.

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Medical services and benefits, which primarily include Medicare and the Private Health Insurance Rebate expenses, make up approximately 40.2 per cent of total health expenses in 2010-11. Expenses in this sub-function are forecast to grow by 3.6 per cent from 2010-11 in real terms over the forward years, or by 1.2 per cent per annum on average in real terms.

Medicare expenses are the major driver of growth in this sub-function, expected to increase in real terms by 10.1 per cent over the forward estimates period, or by an average annual increase of 3.3 per cent. Medicare expenses over the forward estimates are linked closely to the increase in the Australian population, and particularly the increasing proportion of older Australians. This growth in real terms is offset by the effect of the Government's policy to introduce means testing of the Private Health Insurance Rebate.

The major components of the medical services and benefits sub-function are set out in Table 8.1.

Table 8.1: Trends in the major components of medical services and benefits sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Medical Benefits Schedule	15,700	16,243	16,893	17,988	19,266
Private health insurance	4,513	4,641	3,705	3,772	3,781
Veterans' medical benefits	927	954	991	1,002	1,032
Delivery of medical benefits and services	519	522	526	534	556
Primary care practice incentives	290	298	247	551	650
Medical indemnity	103	116	121	134	144
Other	199	119	112	106	105
Total	22,251	22,893	22,595	24,087	25,534

The **hospital services** sub-function includes support for veterans' hospital services and payments to the States and Territories through a range of existing and new national partnership agreements. Substantial additional expenses in this sub-function from 2010-11 include additional investment announced at COAG on 20 April 2010 to meet the emergency department targets, and the elective surgery target and guarantee, as well as funding for capital investments for new emergency and elective surgery facilities, which will have greatest impact in the initial years of the forward estimates. As a result, the estimates for this sub-function are expected to reduce by 17.1 per cent in real terms over the forward estimates.

The majority of NHHN expenses are reported through the **National Health and Hospitals Network** sub-function. This sub-function includes expenses previously reported against the National Healthcare Special Purpose Payment (SPP) sub-function, although this SPP will continue for the 2009-10 and 2010-11 financial years. The large increase in estimated expenses in 2011-12 is the result of the inclusion of an agreed proportion of GST funding that will be retained and dedicated specifically to health

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and hospital services. Through the years 2011-12 to 2013-14, the amount of retained and dedicated GST will be determined annually based on actual health expenditure of the States and Territories. Indicative estimates of these expenses have been included in the forward years with the exception of Western Australia.

Box 5: Health reform

National Health and Hospitals Network

The reforms to roles and responsibilities under the NHHN Agreement are funded through the National Healthcare Specific Purpose Payment and the retention and dedication of approximately one third of GST over the forward estimates. These reforms are budget neutral to the Commonwealth and the States and Territories across the forward years but transfer the majority of funding responsibility for health to the Commonwealth.

From 2014-15, the Commonwealth will provide an additional top-up payment to reflect its greater responsibility for financing growth in health costs.

Table 8.2 outlines the sub-functions in which the Commonwealth has invested additional expenses of \$52.1 billion over five years as part of the health reforms.

Statement 1 provides a more detailed overview of the Commonwealth's expenses relating to health reforms.

Table 8.2: Estimated Commonwealth expenses in the *National Health and Hospitals Network*

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Health					
Hospital services	310	845	689	794	951
General administration - health	0	183	575	827	832
Health services	0	206	328	57	60
Medical services and benefits	0	-4	-93	27	96
Pharmaceutical Benefits and Services	0	161	7	28	58
National Health and Hospitals Network(a)(b)	0	0	13,713	14,941	16,251
Other sub-functions(c)	0	148	135	68	30
Total	310	1,379	15,354	16,742	18,279

(a) The amount of GST retained by the Commonwealth and allocated to health care will reflect actual expenditure on health not covered by the NHHN payment.

(b) The name of this sub-function has been changed from 'National healthcare specific purpose payment' to better reflect the 2010 COAG health and hospitals reform. However, the National healthcare specific purpose payment will remain in place for the 2009-10 and 2010-11 years. Western Australia will continue to receive the National Healthcare Specific Purpose Payment whilst it is not a signatory to the *National Health and Hospitals Network*.

(c) 'Other sub-functions' includes social welfare — assistance to the aged, assistance to veterans and dependants (social security and welfare function) and financial and fiscal affairs (general public services function).

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The real growth over the forward estimates period for the **pharmaceutical services and benefits** sub-function is lower than that forecast in the 2009-10 Budget. This is attributable to the savings realised in new measures, namely the *Fifth Community Pharmacy Agreement and Pharmaceutical Benefits Scheme – further pricing reforms*. Estimated growth is expected to be 6.4 per cent in real terms over the forward years from 2010-11, or 2.1 per cent per annum on average in real terms over the forward estimates period.

For details on the relevant measures, refer to Budget Paper No. 2, *Budget Measures 2010-11*, Health and Ageing portfolio.

The major components of the **pharmaceutical services and benefits** sub-function are set out in Table 8.3.

Table 8.3: Trends in the major components of pharmaceutical benefits and services sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Pharmaceutical benefits (concessional)(a)	5,567	5,869	6,135	6,343	6,807
Pharmaceutical benefits (general)(b)	1,642	1,782	1,911	2,030	2,215
Pharmaceutical benefits (highly specialised and other drugs dispensed in hospitals)(c)	1,251	1,360	1,441	1,468	1,470
Payments for wholesalers and pharmacy programs	334	249	263	266	277
Repatriation pharmaceutical benefits scheme	499	450	422	387	370
Other(d)	515	538	590	582	601
Total	9,808	10,248	10,762	11,076	11,740

(a) Concessional benefits are those provided through community pharmacies for Centrelink concession card holders.

(b) General benefits are those provided through community pharmacies for people without concession cards.

(c) Highly specialised drugs are subsidised by the Commonwealth Government through hospitals.

(d) Includes some essential vaccines. The majority of essential vaccines is included in the health services sub-function.

Expenses in the **Aboriginal and Torres Strait Islander health** sub-function are expected to fall to 2012-13 as expenditure under the Northern Territory Emergency response declines, with further funding to be considered at a future date. The increase in 2013-14 reflects underlying growth in funding for Indigenous-specific health services. Aboriginal and Torres Strait Islander people access mainstream health services as well as Indigenous-specific health services. As a result, substantial investment in Indigenous health is also being made through other health sub-functions – in particular, medical services and benefits.

Expenses in the **health services** sub-function include Commonwealth expenses associated with the delivery of population health, research and other allied health services and blood and blood products. Expenses in this sub-function will fund initiatives such as the prevention of binge drinking and the reduction of smoking rates,

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and new expenses for individual electronic health records. The projected growth in these expenses will partly be offset by declining expenses resulting from the completion of infrastructure projects announced in the 2009-10 Budget, funded through the Health and Hospital Fund.

The **general administration – health** sub-function includes expenses incurred by the Government to support capital investments in population health, non medical benefit components of primary care, rural health care and targeted workforce initiatives. Substantial new investment in 2012-13 and 2013-14 for primary care, including provision for after hours services and additional GP Super Clinics will underpin expected growth in expenses of 23.5 per cent in real terms over the forward estimates from 2010-11.

Social security and welfare

The social security and welfare function includes: pensions and services to the aged; assistance to the unemployed, people with disabilities and families with children; and income support and compensation for veterans and their dependants. It also includes advancement programs for Aboriginal and Torres Strait Islander people.

Table 9: Summary of expenses — social security and welfare

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Assistance to the aged	40,662	44,018	46,993	50,070	52,786
Assistance to veterans and dependants	6,901	6,982	6,864	6,760	6,656
Assistance to people with disabilities	18,002	20,265	21,421	22,704	23,986
Assistance to families with children	30,060	30,436	31,361	32,179	33,046
Assistance to the unemployed and sick	7,016	7,029	7,245	7,569	8,125
Other welfare programs	1,722	1,316	1,234	1,234	1,221
Aboriginal advancement nec	1,585	1,457	1,340	1,329	1,346
General administration	3,728	3,458	3,334	3,341	3,382
Total social security and welfare	109,675	114,961	119,792	125,187	130,547

Social security and welfare function expenses are estimated to grow at 5.4 per cent in real terms from 2010-11 over the forward years and at an average annual rate of 1.8 per cent. A significant driver of growth in expenses for the majority of the sub-functions is the indexation of personal benefits and income support payments, and demographic and social factors such as ageing of the population.

The sub-functions contributing most to the growth over the forward estimates are assistance to the aged (with an average annual growth rate of 3.7 per cent in real terms from 2010-11 over the forward estimates period), and assistance to people with disabilities (average annual real growth of 3.2 per cent over the forward estimates period).

The principal driver of growth over the forward estimates for the **assistance to the aged** sub-function is the income support for seniors program. This program's major component, the age pension, is linked to a fixed proportion of Male Total Average Weekly Earnings (MTAWE) and therefore will grow in direct relationship with projected MTAWE growth. The growth also reflects demographic factors, with an estimated 265,000 additional aged pensioners over the forward estimates.

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The major components of the assistance to the aged sub-function are outlined below in Table 9.1.

Table 9.1: Trends in the major components of assistance to the aged sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Income support for seniors	29,417	31,938	33,943	36,515	38,541
Residential care	5,995	6,457	6,696	7,012	7,489
Community care	3,669	3,897	4,444	4,621	4,905
Flexible aged care	518	725	924	919	882
Mature age income support	713	628	580	490	440
Allowances concessions and services for for seniors	180	189	194	212	224
Aged care workforce	56	68	78	83	81
Ageing information and support	38	43	47	47	48
Culturally appropriate aged care	30	32	31	32	32
Dementia	31	31	32	32	33
Other	15	10	24	107	111
Total	40,662	44,018	46,993	50,070	52,786

Expenses for the **assistance to veterans and dependants** sub-function are estimated to decrease slightly over the forward estimates as a result of the declining number of veterans.

The increase in projected expenses in the **assistance to people with disabilities** sub-function from 2010-11 is primarily driven by two programs – the Disability Support Pension (DSP) and income support for carers. DSP expenses are estimated to grow at 0.9 per cent per annum in real terms over the forward years, driven by benchmarking of DSP to a proportion of MTAWWE, and partially offset by the implementation of assessment arrangements requiring new DSP claimants without sufficient evidence of a future work capacity of less than 15 hours per week being referred to an alternate income support payment and offered employment assistance from 1 January 2012.

Streamlined assessment processes for job seekers and DSP claimants are expected to reduce the growth in the DSP over the forward estimates. For details on the relevant measures, refer to Budget Paper No. 2, *Budget Measures 2010-11*, Education, Employment and Workplace Relations portfolio.

Benchmarking of the carer payment to a proportion of MTAWWE also drives growth in the income support for carers program. The growth also reflects demographic factors, with an estimated additional 92,000 carer payment recipients expected over the forward estimates.

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The major components of the assistance to people with disabilities sub-function are outlined below in Table 9.2.

Table 9.2: Trends in the major components of assistance to people with disabilities sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Disability support pension	11,862	12,901	13,369	13,874	14,287
Income support for carers	4,077	5,099	5,683	6,367	7,135
Assistance to the States for disability services	904	1,052	1,208	1,280	1,354
Disability employment services	834	878	827	852	869
Services and support for people with a disability	303	313	313	320	328
Support for carers	14	11	11	12	12
Other	8	11	10	0	1
Total	18,002	20,265	21,421	22,704	23,986

Growth in expenses in the **assistance to families with children** sub-function is projected to be relatively flat. The main component of this sub-function is the family tax benefit program, expenses against which are expected to decrease slightly by 0.8 of a percentage point in real terms from 2010-11 over the forward estimates, following changes to family payments announced in the 2009-10 Budget.

Other programs affecting the trend to assistance to families with children expenses include child care fee assistance and parental payments and care incentives. Child care fee assistance is projected to grow in real terms by 8.3 per cent from 2010-11 over the forward estimates (at an annual average real rate of 2.7 per cent). This reflects expenses associated with the increased use of child care services, indexation of child care benefit expenses, and additional child care rebate expenses as a result of implementation of the National Partnership Agreement on the Quality Agenda for Early Childhood Education and Care.

The increase in expenses for the parental payments and care incentives program from 2010-11 (30.3 per cent in real terms over the forward estimates) reflects the introduction of the paid parental leave scheme from 1 January 2011, as announced in the 2009-10 Budget.

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The major components of the **assistance to families with children** sub-function are set out in Table 9.3.

Table 9.3: Trends in the major components of assistance to families with children sub-function expenses

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Family Tax Benefit	17,925	17,783	17,899	18,251	18,613
Parents income support	5,545	5,577	5,617	5,788	5,956
Child care fee assistance	3,199	3,333	3,497	3,680	3,888
Parental payments and care incentives	1,410	1,764	2,287	2,378	2,476
Child support	1,129	1,169	1,207	1,242	1,275
Support for the child care system	404	403	395	399	393
Family support	220	192	191	188	189
Family relationship services	168	164	163	167	172
Other	60	51	105	86	84
Total	30,060	30,436	31,361	32,179	33,046

Expenses for the **assistance to the unemployed** sub-function are estimated to grow at 7.3 per cent in real terms from 2010-11 over the forward estimates. The main driver of this sub-function is newstart allowance expenses. The estimated increase for this program from 2011-12 partly reflects the new assessment arrangements for job seekers and DSP claimants (see page 6-23). Further information on this measure is presented in Budget Paper No. 2, *Budget Measures 2010-11*, Education, Employment and Workplace Relations portfolio.

Expenses for the **other welfare programs** sub-function are projected to decrease from \$1.7 billion in 2009-10 to \$1.3 billion in 2011-12 due to the impact of previous Budget announcements, including incorporating the utilities allowance into the new pension supplement for eligible pensioners, as announced as part of the *Secure and Sustainable Pensions* package in the 2009-10 Budget, with a commensurate increase in related sub-functions, in particular assistance to people with disabilities. Superannuation co-contribution scheme expenses are expected to remain stable over 2009-10 and 2010-11 with a slight decrease from 2011-12 onwards due to fewer expected eligible claimants. The trend in expenses for the superannuation co-contribution scheme is attributable to the 2010-11 Budget measure *Superannuation – permanent reduction to the superannuation co-contribution matching rate and maximum payable*.

The decrease in expenses in the **Aboriginal advancement not elsewhere classified** sub-function from 2009-10 to 2010-11 is a result of the new arrangements for funding of government jobs created through the reform to the Community Development Employment Projects (CDEP) program. Funding for these jobs was previously administered under the Families, Housing, Community Services and Indigenous Affairs portfolio but, from July 2010, will be appropriated to each of the agencies across government which have converted CDEP positions into government jobs. The new arrangements result in a transfer of expenses from the Aboriginal advancement

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sub-function to various other sub-functions. The decrease in expenses from 2010-11 to 2011-12 is due to the cessation of CDEP wages from 1 July 2011, as announced in the 2009-10 Budget, with expenses previously assigned to this program redirected to assist Indigenous jobseekers and classified in the assistance to the unemployed sub-function.

The reduction in the **general administration** sub-function expenses in 2010-11 and the forward estimates is the result of a reduction in the cost of services that Centrelink will help deliver on behalf of the Departments of Families, Housing, Community Services and Indigenous Affairs, and Education, Employment and Workplace Relations, and a downwards revision in the levels of unemployment, resulting in lower levels of Centrelink's administrative work.

Housing and community amenities

The housing and community amenities function includes the Australian Government's contribution to the National Affordable Housing Agreement, other Australian Government housing programs, the expenses of Defence Housing Australia (DHA), and various regional development and environmental protection programs.

Table 10: Summary of expenses — housing and community amenities

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Housing	7,974	4,140	3,284	3,297	3,332
Urban and regional development	346	425	168	173	170
Environment protection	950	867	760	703	672
Total housing and community amenities	9,270	5,432	4,212	4,173	4,174

After substantial growth in expenses in 2009-10, total expenses under the housing and community amenities function are estimated to decrease by 28.7 per cent in real terms from 2010-11 over the forward estimates, or by 10.6 per cent per annum on average. This largely reflects the phasing down or cessation of various economic stimulus measures and other one-off projects.

Housing sub-function expenses are expected to decrease from \$8.0 billion estimated in 2009-10 to \$4.1 billion in 2010-11, with a further decrease to \$3.3 billion in 2011-12. This is mainly due to the phasing down of the housing initiatives introduced as part of the Government's response to the global financial crisis with the Economic Security Strategy and the Nation Building and Jobs Plan. These include:

- the cessation of the first home owners boost, which was extended as part of the 2009-10 Budget and provided an additional grant for eligible first home buyers entering into contracts on or before 31 December 2009; and
- investment in Social Housing, announced as part of the Nation Building and Jobs Plan, which provided funding for additional public and community housing dwellings to meet priority social housing needs. This program is projected to decrease from \$3.8 billion in 2009-10 to \$1.3 billion in 2010-11 and then to \$162 million in 2011-12.

The **urban and regional development** sub-function comprises regional development programs and the services to territories program. Expenses for regional development programs are estimated to reduce from 2011-12 onwards, driven largely by: the one-off nature of the *Better Regions* initiative, which was established as part of the Government's 2007 election commitments; the completion of the *Jobs Fund – Infrastructure Employment Projects*, a component of the Jobs Fund, which was created to mitigate the impact of the global financial crisis in regional areas; and cessation of the *East Kimberley development* package, announced as part of the Government's nation building stimulus initiative. The services to territories program is expected to decrease

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by 13.6 per cent in real terms from 2010-11 over the forward years, or by an average annual rate of 4.8 per cent. This reflects the completion of infrastructure upgrades associated with the Christmas Island Strategy, with expenses expected to return to trend for the remaining forward years.

The **environment protection** sub-function includes expenses for a variety of initiatives including the protection and conservation of the environment, water and waste management, pollution abatement and environmental research. Estimated expenses for this sub-function are expected to reduce from 2009-10 primarily due to the deferral of the Carbon Pollution Reduction Scheme and the associated administrative costs. Part of the reduction in estimated expenses between 2011-12 and 2012-13 reflects the currently scheduled cessation of the National Water Commission under the sunset provision in its legislation.

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Recreation and culture

Recreation and culture function expenses support public broadcasting, cultural institutions, funding for the arts and the film industry, assistance to sport and recreation activities, as well as the management and protection of national parks and other world heritage areas. This function also includes expenses relating to the protection and preservation of historic sites and buildings, including war graves.

Table 11: Summary of expenses — recreation and culture

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Broadcasting	1,466	1,524	1,569	1,546	1,567
Arts and cultural heritage	1,039	1,045	984	994	978
Sport and recreation	356	367	317	317	320
National estate and parks	347	310	289	282	285
Total recreation and culture	3,208	3,246	3,159	3,139	3,150

Total expenses under the recreation and culture function are estimated to decrease by 9.9 per cent in real terms from 2010-11 over the forward years, or by 3.4 per cent per annum on average in real terms. This decrease largely reflects the conclusion of funding for a number of programs in the sport and recreation and national estate and parks sub-functions.

Broadcasting sub-function expenses will continue to increase up to and including 2011-12, before falling in 2012-13 due to the cessation of funding for the digital switchover initiatives in 2011-12. For further information on related measures, refer to Budget Paper No. 2, *Budget Measures 2010-11*, Broadband, Communications and the Digital Economy portfolio.

Table 11.1 provides data on the most significant components of the broadcasting sub-function.

Table 11.1: Trends in the major components of broadcasting sub-function expenses

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
ABC television	586	606	621	634	648
ABC radio	316	326	334	341	349
SBS television	188	179	190	197	205
ABC analog transmission	95	96	92	87	79
Access to digital TV services	86	94	92	95	98
Broadcasting and digital television	56	76	92	47	56
SBS digital transmission and distribution	59	66	67	68	70
Other	80	81	81	77	62
Total	1,466	1,524	1,569	1,546	1,567

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The **arts and cultural heritage** sub-function includes government arts expenses. The forecast decrease in expenses from 2010-11 to 2011-12 is primarily due to an expected reduction in claims for the Refundable Film and Television Tax Offsets program.

The **sport and recreation** sub-function includes government expenses to improve participation in sport and recreational activities, and achieve excellence in high performing athletes. The forecast decrease in expenses after 2010-11 is due to the expected conclusion of time limited funding.

Expenses under the **national estate and parks** sub-function are expected to decrease in 2010-11, primarily due to the conclusion of the Government's stimulus funding in 2009-10 for the preservation of national heritage listed buildings and historic properties.

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Fuel and energy

This function comprises a range of fuel and energy expenses administered across a number of portfolios. It includes expenses for the Fuel Tax Credits, Cleaner Fuels and Product Stewardship Waste (Oil) Schemes, administered by the Australian Taxation Office. It also includes expenses related to climate change, resources and energy related initiatives and management programs, and programs to support the production or use of alternative fuels, including ethanol and biodiesel.

Table 12: Summary of expenses — fuel and energy

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Fuel and energy	8,971	7,607	7,287	7,072	6,800
Total fuel and energy	8,971	7,607	7,287	7,072	6,800

Fuel and energy expenses are expected to decline significantly in 2010-11 driven by a reduction in energy efficiency program expenses from their peak in 2009-10. Under the Government's *Energy Efficient Homes* package, funding increased to \$2.0 billion in 2009-10, including net funding brought forward from 2010-11 (\$366 million) and 2011-12 (\$290 million) to meet the increased demand for rebates under the package. Expenses under the Fuel Tax Credits Scheme are also expected to increase progressively across the budget and forward years.

Since the 2009-10 Budget, additional expenses of \$411 million in 2009-10 and \$100 million in 2010-11 are expected to be incurred to meet commitments under the Solar Homes and Communities Plan, and a further \$109 million in 2010-11 for additional home assessments under Green Loans.

The conclusion of the Home Insulation Safety Program, Foil Insulation Safety Program, Green Loans, and the Solar Homes and Communities Plan is expected to result in reduced expenses in 2011-12.

Cleaner fuels scheme expenses are expected to increase from 1 July 2011, due to the commencement of payments in relation to gaseous fuels, particularly LPG, made as part of the phase-in of effective fuel taxation. The expenses then decrease as the assistance is phased out in the period to 1 July 2015.

Table 12.1 provides further details of fuel and energy sub-function expenses.

Table 12.1: Trends in the major components of fuel and energy sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Fuel tax credits scheme	5,118	5,162	5,289	5,680	5,799
Energy efficiency and climate change action(a)	2,288	0	0	0	0
Improving Australia's energy efficiency(a)	596	1,375	369	24	20
Resources related initiatives and management	486	482	390	344	117
Energy related initiatives and management	177	316	472	401	411
Resources, Energy and Tourism departmental funding for fuel and energy	93	82	84	71	62
Cleaner fuels scheme	42	53	453	338	221
National Partnership Payments - Climate Change	99	42	27	46	47
Product stewardship waste (oil) scheme	30	30	30	31	31
Other	42	65	173	137	92
Total	8,971	7,607	7,287	7,072	6,800

(a) As a result of a change in administrative order arrangements, the associated expenses were transferred between the two programs during 2009-10.

Agriculture, forestry and fishing

Agriculture, forestry and fishing function expenses support assistance to primary producers, forestry, fishing, land and water resources management, quarantine services and contributions to research and development.

Table 13: Summary of expenses — agriculture, forestry and fishing

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Wool industry	42	43	43	43	43
Grains industry	141	145	136	142	148
Dairy industry	48	46	46	47	47
Cattle, sheep and pig industry	170	174	177	183	183
Fishing, horticulture and other agriculture	254	231	226	218	218
General assistance not allocated to specific industries	23	22	21	21	22
Rural assistance	753	440	75	49	49
Natural resources development	1,271	1,841	1,680	1,302	1,011
General administration	629	644	634	620	621
Total agriculture, forestry and fishing	3,330	3,587	3,038	2,624	2,342

Total expenses under this function are estimated to decrease by 39.4 per cent in real terms from 2010-11 over the forward years, or by 15.4 per cent per annum on average in real terms.

The decrease over the forward estimates largely reflects a reduction in expenses for drought-related initiatives within the **rural assistance** sub-function. This is due to an assumed return to normal seasonal conditions in affected parts of Australia and a consequent reduction in drought assistance outlays.

The expected increase in expenses in the **natural resources development** sub-function in 2010-11 is driven by the *Water for the Future* package, particularly the Sustainable Rural Water Use and Infrastructure and the National Urban Water and Desalination Plan components. The subsequent decrease in expenses mainly reflects the completion of a range of water initiatives, including Water Smart Australia, the National Urban Water and Desalination Plan, and the National Water Security Plan for Cities and Towns.

Other significant expenses on conservation and the sustainable use and repair of Australia's natural environment are included in the environment protection sub-function (reported as part of the housing and community amenities function) and the national estate and parks sub-function (in the recreation and culture function).

Mining, manufacturing and construction

Expenses under this function relate to the mining, manufacturing and construction sectors, and are designed to assist the efficiency and competitiveness of Australian industries. The major components include programs specific to the automotive and textiles, clothing and footwear industries.

Table 14: Summary of expenses — mining, manufacturing and construction

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Mining, manufacturing and construction	1,690	1,990	2,476	2,513	2,573
Total mining, manufacturing and construction	1,690	1,990	2,476	2,513	2,573

Total expenses under the mining, manufacturing and construction function are expected to increase by 14.5 per cent in 2010-11 in real terms before increasing by 20.1 per cent in real terms over the forward years, or by about 6.3 per cent per annum on average in real terms.

The expected increase in expenses for this function in 2010-11 primarily reflects the impact of the 2009-10 budget measure, 'An Innovation and Higher Education System for the 21st Century — Research and Development Tax Credit'. This measure replaces the existing Research and Development Tax Concessions with effect from 1 July 2010. The expected increase in expenses in 2010-11 is also due to the introduction of the Automotive Transformation Scheme (ATS). Further influencing the overall trend is the introduction in 2011-12 of the Resources Exploration Tax Offset. As part of its response to *Australia's Future Tax System Review*, the Government will provide a refundable tax offset at the company tax rate for eligible expenditure on exploration carried out in Australia. For further information, refer to Budget Paper No. 2, *Budget Measures 2010-11*, Treasury portfolio.

The estimated decline in expenses for the industry development and investment program from 2011-12 can be attributed to three main drivers: a decline in demand is expected for the Liquefied Petroleum Gas Vehicle Scheme following the ongoing reduction in rebates for the post-factory conversion element; funding for ATS is expected to peak in 2011-12, after which a gradual reduction in funding is expected as the industry becomes more sustainable; and expenses for the Textiles, Clothing and Footwear Strategic Investment initiative are projected to decrease from 2011-12 as the industry structurally adjusts and develops greater innovative capability.

Table 14.1 below provides details of the major components of mining, manufacturing and construction sub-function expenses.

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Table 14.1: Trends in the major components of mining, manufacturing and construction sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Research and development tax offset	632	1,007	1,063	1,122	1,185
Industry development and investment	889	820	732	628	561
Resource exploration tax offset	0	0	520	600	680
Other	169	163	161	163	147
Total	1,690	1,990	2,476	2,513	2,573

Transport and communication

Transport and communication function expenses support the infrastructure and regulatory framework for Australia's transport and communication sectors.

Table 15: Summary of expenses — transport and communication

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Communication	532	466	414	383	361
Rail transport(a)	584	708	1,333	1,771	1,506
Air transport	163	234	216	192	198
Road transport(a)	5,047	2,981	4,162	4,656	3,638
Sea transport	292	314	318	332	345
Other transport and communication	219	229	221	913	958
Total transport and communication	6,837	4,932	6,664	8,247	7,006

(a) Most road and rail funding from 2009-10 is currently classified under the road transport sub-function and will be reclassified between the road and rail transport sub-functions as programs of work are determined.

Following a reduction in expenses in 2010-11 due to the winding down of Nation Building stimulus payments, total expenses under this function are estimated to increase by 31.9 per cent in real terms from 2010-11 over the forward years, or 9.7 per cent per annum on average in real terms.

The decline in estimated expenses in the **communication** sub-function between 2010-11 and 2013-14 is primarily due to a predicted reduction in demand over this period for the Australian Broadband Guarantee. This reflects the greater availability of metro-comparable broadband services to residential and small business premises in rural and regional locations, reducing the demand for assistance. This sub-function does not take into account the proposed investment in the National Broadband Network, which is funded by equity investment and for which provisions beyond the Government's initial investment have been included in the contingency reserve (see Appendix B of this Statement).

The increase in estimated expenses in the **rail transport** sub-function across the forward estimates is mainly due to the investment in metro rail infrastructure announced by the Government as part of its *Nation Building Plan for the Future* package in the 2009-10 Budget. This package includes projects funded from the Building Australia Fund such as a \$3.2 billion contribution over six years towards the Regional Rail Express project in Victoria, and \$0.6 billion over five years for the Gawler Rail Line Modernisation and Noarlunga to Seaford Rail Extension projects in South Australia. The increased estimate in expenses across the forward estimates for rail also encompasses grants to the Australian Rail Track Corporation.

The expenses in the **road transport** sub-function primarily consist of grants provided under the Nation Building program, including funding provided for projects under the nation building stimulus package. Lower expenses in 2010-11 reflect the Government's

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decision in December 2008 to bring forward funding from 2010-11 to 2009-10 for high priority road construction projects as well as the measure announced in the 2010-11 Budget to bring forward \$977 million from the period 2010-11 to 2013-14 into 2009-10. Of the \$977 million that was brought forward, \$692 million has been moved from 2010-11. The bring forward of expenses is for the following road infrastructure projects: Holbrook Bypass in New South Wales; Ipswich Motorway and Douglas Arterial in Queensland; Anthony's Cutting and Western Ring Road in Victoria; Superway and Northern Expressway in South Australia; and Tiger Brennan Drive in the Northern Territory.

The **air transport** and **sea transport** sub-functions predominantly relate to the activities of the safety regulators – the Civil Aviation Safety Authority (CASA) and the Australian Maritime Safety Authority. The increase in estimated expenses in the air transport sub-function is due to the provision of additional funding to CASA to maintain and enhance aviation safety and funding to the Department of Infrastructure, Transport, Regional Development and Local Government to enhance and strengthen Australia's aviation security arrangements. Further information on these measures can be found in Budget Paper No. 2, *Budget Measures 2010-11*, Infrastructure, Transport, Regional Development and Local Government portfolio; and the Attorney-General's portfolio.

The increase in estimated expenses in the **other transport and communication** sub-function reflects the Government's decision to establish an Infrastructure Fund to coincide with the introduction of the Resource Super Profits Tax on 1 July 2012. The Commonwealth's initial funding contribution will be \$700 million in 2012-13, followed by a further contribution of \$735 million in 2013-14.

Other economic affairs

The other economic affairs function includes expenses on tourism and area promotion, labour market assistance, immigration, industrial relations and other economic affairs not elsewhere classified (nec).

Table 16: Summary of expenses — other economic affairs

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Tourism and area promotion	172	152	164	167	170
Total labour and employment affairs	4,706	5,003	4,649	4,615	4,555
Vocational and industry training	2,030	1,895	1,916	1,879	1,822
Labour market assistance to job seekers and industry	2,032	2,484	2,207	2,204	2,218
Industrial relations	644	624	526	532	515
Immigration	1,632	1,762	1,525	1,506	1,543
Other economic affairs nec	2,286	2,232	2,274	2,261	2,220
Total other economic affairs	8,796	9,150	8,612	8,548	8,489

Total expenses under the other economic affairs function are projected to decrease by 13.9 per cent in real terms from 2010-11 over the forward years, or by 4.8 per cent per annum on average in real terms.

The sub-functions contributing most to the forecast decrease in expenses over the forward estimates are immigration (with a decline of 6.7 per cent per annum on average in real terms from 2011-12), and labour market assistance to job seekers and industry (average annual real decrease of 6.1 per cent over the forward estimates period).

The reduction in the **tourism and area promotion** sub-function expenses in 2010-11 is the result of the bringing forward of tourism industry funding from 2010-11 to 2009-10, as a short-term stimulus initiative.

Expenses under the **vocational and industry training** sub-function are expected to decline by 10.7 per cent in real terms from 2010-11 to 2013-14. The fall in expenses over the period reflects the completion in 2010-11 of infrastructure projects under the Teaching and Learning Capital Fund for Vocational Education and Training (VET) initiative, announced as part of the Government's *Nation Building* package in December 2008, the completion in 2011-12 of the Apprentice Kickstart program, and the completion in 2012-13 of the Vocational Education Broadband Network. The fall in expected expenses is also influenced by the ongoing impact of savings decisions from the 2009-10 Budget package, *Reform of Australian Apprenticeships Incentive Funding*.

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The effect of these expected reductions in expenses is partially offset by increased expenses resulting from some elements of the Government's *Skills for Sustainable Growth* package. Further information on this decision can be found in Budget Paper No. 2, *Budget Measures 2010-11*, Education, Employment and Workplace Relations portfolio.

Expenses for the **labour market assistance to job seekers and industry** sub-function are estimated to peak at \$2.5 billion in 2010-11 before reducing to a relatively flat projected trend over the forward estimates from 2011-12. The anticipated peak in estimated expenses in 2010-11 is largely the result of job seekers transitioning from Job Network to Jobs Services Australia (JSA). With this transition, expenses in 2010-11 are expected to increase, as job seekers will be eligible for higher levels of assistance under JSA. The anticipated decrease in expenses from 2011-12 in the sub-function is due to the expected reduction in the number of unemployed people in the forward years, and the completion, on 30 June 2011, of the Jobs Fund initiative.

The higher estimated expenses in the **industrial relations** sub-function in 2009-10 and 2010-11 compared to later years is largely due to the relatively high demand for payments under the General Employee Entitlements and Redundancy Scheme (GEERS). The GEERS scheme assists employees of bankrupt organisations who are owed certain employee entitlements, and recent economic conditions have increased demand for the scheme. It is expected that GEERS will return to historic expense levels in 2011-12.

The expected increase in expenses in the **immigration** sub-function in 2010-11 is largely due to costs associated with accommodating and processing irregular maritime arrivals. These expenses are expected to decline beyond 2010-11.

Expenses for the **other economic affairs nec** sub-function are estimated to decline in 2010-11. From 2010-11 to 2013-14, expenses are estimated to decrease by 7.6 per cent in real terms, or 2.6 per cent per annum on average in real terms.

The small decline in expenses in 2010-11 is primarily driven by the innovative industry program. Estimated expenses in that program are expected to fall from \$428 million in 2009-10 to \$364 million in 2010-11 and reflect the winding down of the Commercial Ready and the Clean Business Australia – Climate Ready initiatives, and a decrease in funding for the Green Car Innovation Fund.

The estimated decline in expenses for the sub-function in 2012-13 and 2013-14 is predominantly driven by the Government's decision to reduce funding for the Green Car Innovation Fund, responding to lower than expected demand. Further information on this measure can be found in Budget Paper No. 2, *Budget Measures 2010-11*, Innovation, Industry, Science and Research portfolio.

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The table below provides details of the major components of other economic affairs nec sub-function expenses.

Table 16.1: Trends in the major components of other economic affairs nec sub-function expenses

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Innovative Industry	428	364	413	403	360
Trade and Investment Development	199	215	215	211	209
Export Market Development Grants Scheme	200	150	150	150	150
Operating costs for:					
Department of Innovation, Industry, Science and Research	363	394	394	392	375
Australian Securities and Investments Commission	378	366	352	357	351
Bureau of Meteorology	287	301	312	316	318
IP Australia	145	152	157	164	170
Australian Competition and Consumer Commission	146	145	141	139	140
Other	140	145	140	129	147
Total	2,286	2,232	2,274	2,261	2,220

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Other purposes

The other purposes function includes expenses incurred in the servicing of public debt interest, and assistance to State, Territory and local governments. This function also includes items classified to natural disaster relief, the contingency reserve (see Appendix B for a detailed description), and expenses related to the nominal interest on unfunded liabilities for government superannuation benefits.

Table 17: Summary of expenses — other purposes

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Public debt interest	6,514	9,606	11,463	12,010	11,978
Interest on Commonwealth Government's behalf	6,514	9,606	11,463	12,010	11,978
Nominal superannuation interest	6,695	7,065	7,301	7,552	7,818
General purpose inter-government transactions	47,632	50,403	40,303	42,352	44,216
General revenue assistance -					
States and Territories	45,268	48,654	38,161	40,106	41,879
Local government assistance	2,364	1,749	2,142	2,246	2,337
Natural disaster relief	402	577	80	80	80
Contingency reserve	-999	1,195	3,329	4,457	7,890
Total other purposes	60,244	68,846	62,476	66,452	71,982

Total expenses under the other purposes function are estimated to decrease by 1.9 per cent in real terms from 2010-11 over the forward years, or by 0.6 per cent per annum in real terms. This decrease is primarily driven by the transfer of a proportion of general assistance revenue assistance payments to the health function (discussed in more detail below), partially offset by an expected increase in public debt interest expenses.

The most significant expenses in this function relate to general revenue assistance paid to State and Territory governments. Nearly all these expenses comprise payments of GST revenue grants to the States and Territories, which are provided on an 'untied' basis. Payments to State and Territory Governments tied to specific purposes (for example, education) are reported under their relevant functions in this Statement.

There is a reduction of \$13.7 billion in 2011-12, rising to \$16.3 billion in 2013-14 in expenses in the **general purpose inter-government transactions** sub-function due to the Government's agreement with the States and Territories (except Western Australia) to retain a third of GST revenue to be allocated to the health and hospitals reform, with the exception of Western Australia. The decrease in this sub-function is offset by a corresponding increase under the health function. (Refer to Box 5 for further information on the National Health and Hospitals Network reforms.)

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The increase in the **public debt interest** sub-function is due to the increased issuance of Commonwealth Government bonds reflecting the corresponding interest, while expenses in the **nominal superannuation interest** sub-function are projected to increase over time, reflecting the growth in the Government's superannuation liability.

Expenses in the **local government assistance** sub-function are predominantly related to the local government program. Lower expenses in 2010-11 reflect the Government's decision to pay the first instalment of \$511.6 million to Local Councils ahead of schedule in the 2009-10 financial year to ensure they have immediate use of these funds. These expenses increase from 2010-11 across the forward estimates due to forecast population increases, and changes in the Consumer Price Index (local government funding provided by the Commonwealth is linked to population and inflation). Also included within this sub-function are expenses under the Regional and Local Community Infrastructure initiative which is being provided over the period 2009-10 to 2010-11. Further information on Commonwealth Government assistance to local governments can be found in Budget Paper No. 3, *Federal Financial Relations 2010-11*.

The increase in expenses under the **natural disaster relief** sub-function from 2009-10 to 2010-11 is due to the increase in Commonwealth payments to the States, primarily arising from the Victorian bushfires and Queensland floods. The lag in payments following a disaster occurs because these payments represent a reimbursement of some of the States' natural disaster costs. From 2011-12 onwards, expenses under this sub-function are expected to return to trend, although they remain subject to fluctuations should another major natural disaster occur.

The increase in expenses in the **contingency reserve** sub-function from 2010-11 over the forward years is largely due to the conservative bias allowance – an allowance that compensates for the trend in expenses on existing Government programs to be underestimated by agencies in the forward years. The contingency reserve is discussed in more detail at Appendix B.

GENERAL GOVERNMENT NET CAPITAL INVESTMENT

Net capital investment is broadly defined as acquisitions of non-financial assets less depreciation expenses. It provides a measure of the overall growth in capital assets (including buildings and infrastructure, specialist military equipment, and computer software) after taking into account depreciation and amortisation as previously acquired assets age.

Australian Government general government net capital investment is expected to increase by \$928 million in 2010-11. This is predominantly due to projected growth in the defence, general public services and transport and communication functions. Net capital investment decreases in 2011-12 and 2012-13 due to a number of items in the Contingency Reserve for both these years. Details of movements are explained below.

Table 18: Estimates of total net capital investment

	MYEFO(a)	Revised	Estimates		Projections	
	2009-10	2009-10	2010-11	2011-12	2012-13	2013-14
Total net capital investment (\$m)	6,033	5,847	6,775	3,917	-1,036	2,902
Real growth on previous year (%) ^(b)	45.0	40.5	12.7	-43.6	-125.8	-373.1
Per cent of GDP	0.5	0.5	0.5	0.3	-0.1	0.2

(a) GDP forecasts for the 2009-10 Budget were prepared according to the System of National Accounts 1993, while forecasts for MYEFO and the 2010-11 Budget were prepared according to the System of National Accounts 2008.

(b) Real growth is calculated using the Consumer Price Index. Real net capital investment is rising in 2013-14. The negative real growth rate shown in that year is a function of the negative net investment in 2012-13.

Reconciliation of net capital investment since the 2009-10 Budget

A reconciliation of the net capital investment estimates, showing the effect of policy decisions and economic parameter and other variations since the estimates were published in the 2009-10 Budget, is provided in Table 19.

Table 19: Reconciliation of net capital investment

	Estimates			Projections
	2009-10	2010-11	2011-12	2012-13
	\$m	\$m	\$m	\$m
2009-10 Budget net capital investment	5,545	6,269	6,139	5,016
Changes between 2009-10 Budget and MYEFO				
Effect of policy decisions(a)	402	-218	-107	-6
Effect of parameter and other variations	87	-614	-438	-272
Total variations	488	-832	-545	-279
2009-10 MYEFO net capital investment	6,033	5,437	5,593	4,738
Changes between MYEFO and 2010-11 Budget				
Effect of policy decisions(a)	396	693	21	46
Effect of parameter and other variations	-583	645	-1,697	-5,819
Total variations	-187	1,338	-1,676	-5,774
2010-11 Budget net capital investment	5,847	6,775	3,917	-1,036

(a) Excludes secondary impacts on public debt interest of policy decisions.

Forecast net capital investment for 2010-11 has increased by \$1.3 billion since 2009-10 MYEFO. This increase is driven by the effect of new policy decisions of \$693 million and by parameter and other variations of \$645 million. The major policy decisions include investment to enhance the force protection measures for Australian troops deployed to Afghanistan, investment for capacity enhancement of immigration detention facilities, investment in information and communication technology infrastructure to commence activity based funding as part of the *National Health and Hospitals Network* package, and replenishment of the national medical stockpile.

Net capital investment in 2010-11 is estimated to be \$6.8 billion. This is higher than forecast in the 2009-10 Budget, primarily due to the accelerated investment in water entitlements under the *Water for the Future* package brought forward into 2009-10 and 2010-11, and the movement of funds from 2009-10 to 2010-11 as part of the National Broadband Network and Regional Blackspots program.

Discussion of changes between 2009-10 MYEFO and the 2010-11 Budget, shown in the table above, can be found in Statement 3 (in the section titled 'Variations in net capital investment estimates'). Further information on the capital measures since MYEFO can be found in Budget Paper No. 2, *Budget Measures 2010-11*.

The significant reductions in net capital investment in 2011-12 and 2012-13 are due to a number of items in the contingency reserve (these are reflected in the other purposes function in Table 20). Other items which impact on these years include the accelerated investment in water entitlements and the decrease in defence's net capital investment.

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Net capital investment estimates by function

Estimates for Australian Government general government net capital investment by function for the period 2009-10 to 2013-14 are provided in Table 20.

Table 20: Estimates of net capital investment by function

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
General public services	206	522	362	245	156
Defence	3,361	4,559	3,949	2,831	3,175
Public order and safety	233	199	203	134	-84
Education	41	-7	-13	0	0
Health	332	152	29	-16	-32
Social security and welfare	119	117	64	-36	-34
Housing and community amenities	266	120	-23	15	-68
Recreation and culture	249	70	-12	-24	-20
Fuel and energy	1	3	-2	-2	-2
Agriculture, forestry and fishing	814	732	214	376	-6
Mining, manufacturing and construction	2	19	18	21	11
Transport and communication	33	218	-22	-30	-23
Other economic affairs	202	187	-36	-66	-59
Other purposes	-13	-114	-813	-4,484	-112
Total net capital investment	5,847	6,775	3,917	-1,036	2,902

As in previous years, the most significant component of net capital investment in 2010-11 occurs in the defence function. These investments reflect the acquisition of military equipment and the construction of support facilities. Such investments can experience uneven expenditure throughout their development and life cycle extending over long periods of time, and can contribute to fluctuations in levels of net capital investment from year to year.

The recent strength of the Australian dollar has contributed to Defence requiring lower capital investment in order to purchase the same level of capability, leading to a revision of previously published Defence net capital investment levels for 2010-11 and the forward estimates.

Major factors contributing to net capital investment, expected to occur in the following functions, include:

- **general public services** – investment in major projects managed by the Department of Finance and Deregulation (new accommodation for the Australian Security Intelligence Organisation), refurbishment and relocation of various overseas missions by the Department of Foreign Affairs and Trade, purchase of a new research vessel for CSIRO financed through the EIF, and investment by several agencies in information technology including the ATO, the Department of Finance and Deregulation, and Centrelink;

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- **public order and safety** – construction projects, including the fit out of the accommodation for the Australian Security Intelligence Organisation, fit out of the Edmund Barton Building for the Australian Federal Police, the commencement in 2010-11 of the fit out of the Robert Garran Offices, and the Australian Customs and Border Protection Service fit out of Customs House in Brisbane;
- **defence** – facility and base infrastructure upgrades are being undertaken by the Department of Defence at HMAS Creswell (Australian Capital Territory), Lavarack Barracks (Queensland), Robertson Barracks (Northern Territory), and Royal Australian Air Force bases at Amberley (Queensland), Edinburgh (South Australia), Pearce (Western Australia), and Darwin and Tindal (Northern Territory);
 - Defence also continues to deliver a major equipment acquisition program under the Defence Capability Plan agreed by Government as part of the 2009 Defence White Paper. This commitment maintains capital equipment expenditure at a high level over the forward estimates, including the purchase of the remaining Super Hornet and airborne early warning and control aircraft, armed reconnaissance and multi-role helicopters, and Bushmaster protected mobility vehicles, in addition to initial deliveries of air-to-air refuelling aircraft, a large new class of Landing Helicopter Dock amphibious ships; anti-ship missile defence upgrades to Anzac class frigates; and enhanced command and control battle management and communication systems for land forces.
 - There are also a number of construction projects currently being undertaken, including Enhanced Land Force Facilities Stage 1 and Stage 2, Australian Super Hornet Facilities, Hardened and Networked Army Facilities and Airborne Early Warning and Control Facilities. Construction will occur at various Defence sites and locations across Australia.
- **health** – investment in the National Medical Stockpile, maintained by the Government to safeguard against pandemics and biosecurity incidents, including the purchase of additional vaccines in response to Pandemic (H1N1) 2009 in 2009-10;
 - Increased net capital investment in 2009-10 is also attributed to the build and fit out of new accommodation for the Department of Health and Ageing in Woden, Australian Capital Territory.
 - The Government's NHHN package will provide substantial capital funding, particularly in 2010-11, primarily to invest in infrastructure and applications necessary to allow payments to be made to 150 Local Hospital Networks through activity based funding arrangements.
- **social security and welfare** – property acquisitions and business investments by the Indigenous Land Corporation, the most significant being the continued development of the Mossman Gorge Gateway Centre, the commencement of the

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construction of hostels for secondary students from 2010-11, and ongoing capital investment in the construction of classrooms and accommodation in remote areas. The Department of Families, Housing, Community Services and Indigenous Affairs is also implementing significant upgrades to Centrelink's IT systems in 2009-10, 2010-11 and 2011-12;

- **housing and community amenities** – investment by DHA of \$246 million to construct 829 houses across Australia in 2009-10 and 2010-11 as part of the Government's *Nation Building and Jobs Plan*, with the remaining balance of \$44 million allocated in 2010-11. This construction activity is in addition to DHA's ongoing capital program, which involves the construction and acquisition of new houses, and the acquisition of vacant land;
- **recreation and culture** – progressive restoration of buildings and land around Sydney Harbour by the Sydney Harbour Federation Trust, refurbishment and enhancement of the National Gallery of Australia, major upgrade of Canberra's Kings Avenue by-pass, and higher capital investment by the Australian Broadcasting Corporation (ABC) for information technology and broadcasting equipment in 2009-10. Additional capital investment will be undertaken by the ABC in 2010-11 to sustain its levels of capital stock;
- **agriculture, forestry and fishing** – accelerated investment in water entitlements under the *Water for the Future* package using funding brought forward from the forward estimates into 2009-10 and 2010-11. Investment in water entitlements is expected to decline from 2011-12 as water over-allocation in the Murray-Darling Basin is progressively addressed;
- **other economic affairs** – from 2011-12, net capital investment declines primarily reflecting the Government's lower investment in developing and enhancing immigration detention facilities and the completion in 2011 of the expansion of the Australian Business Number Registration system; and
- **transport and communication** – construction and purchase of assets as part of the National Broadband Network and Regional Backbone Blackspots program in 2010-11. An amount of \$216 million, originally allocated in 2009-10, has been deferred until 2010-11 to reflect actual contractor payments. From 2011-12, net capital investment declines, primarily reflecting increased depreciation and amortisation expenses due to significantly increased levels of assets in 2010-11.

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Table 21 reports the acquisition of non-financial assets by function before taking into account depreciation or amortisation.

Table 21: Australian Government general government purchases of non-financial assets by function

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
General public services	785	1,045	769	1,124	879
Defence	6,732	7,669	7,078	5,995	6,504
Public order and safety	482	485	517	477	271
Education	58	15	14	26	26
Health	178	192	125	85	71
Social security and welfare	349	347	305	196	180
Housing and community amenities	363	135	156	107	98
Recreation and culture	448	334	266	249	249
Fuel and energy	3	5	0	0	0
Agriculture, forestry and fishing	833	752	237	399	18
Mining, manufacturing and construction	10	26	25	27	17
Transport and communication	62	111	242	40	48
Other economic affairs	547	575	358	331	331
Other purposes	-13	-94	-63	36	38
General government purchases of non-financial assets	10,838	11,600	10,030	9,094	8,728

Trends in Australian Government staffing

Trends in the estimated annual average staffing level (ASL)² for all agencies in the Australian Government general government sector are reported in Table 22 below. These data provide a summary of people employed by the Australian Government, including all Defence Force personnel and those employed by Statutory Authorities.

ASL data was first collected and published in the Budget papers for 2001-02. Since 2001-02, there has been significant growth in the number of ASL (approximately 45,900 or 22 per cent).

Table 22: Estimates of Average Staff Levels (ASL)

2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
217,284	223,134	225,914	227,013	238,623	248,217	250,566	258,321	258,704

The current estimate is 258,321 ASL for 2009-10. The 2010-11 Budget is expected to result in a modest net increase of 383 ASL (0.1 per cent) in 2010-11 across the General Government Sector. The Government's Career Transition and Support Centre in the Australian Public Sector Commission will assist staff and agencies affected by downsizing.

Appendix C5 provides details of ASL at the portfolio and agency level.

2 ASL figures reflect the average number of employees receiving salary or wages over the financial year, with adjustments for casual and part-time staff, to show the average full-time equivalent (FTE). ASL figures also include non-uniformed staff and overseas personnel.

APPENDIX A: EXPENSE BY FUNCTION AND SUB-FUNCTION

Note: Caution should be exercised in comparing 2008-09 data with the forward years as reclassifications arising as a result of improved reporting as part of the Operation Sunlight reforms have produced structural breaks in the data for some functions and sub-functions.

Table A1: Estimates of expenses by function and sub-function

	Actuals	Estimates			Projections	
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
General public services						
Legislative and executive affairs	728	882	1,057	927	913	1,061
Financial and fiscal affairs	6,331	6,581	6,521	7,130	7,293	7,134
Foreign affairs and economic aid	4,763	4,848	5,575	6,006	6,696	7,682
General research	2,237	2,535	2,791	2,659	2,606	2,495
General services	995	730	707	701	694	695
Government superannuation benefits	2,142	3,288	3,485	3,498	3,537	3,647
Total general public services	17,196	18,864	20,137	20,922	21,739	22,716
Defence	19,190	20,620	21,000	20,540	21,323	22,883
Public order and safety						
Courts and legal services	981	858	809	805	813	819
Other public order and safety	2,578	3,078	3,069	3,055	3,131	3,153
Total public order and safety	3,558	3,936	3,878	3,860	3,944	3,972
Education						
Higher education	7,013	7,541	8,124	8,279	8,586	9,103
Vocational and other education	1,881	2,007	2,050	2,121	2,179	1,856
Schools	11,416	19,294	16,389	12,620	12,756	13,402
<i>Non-government schools</i>	7,210	9,466	8,779	7,778	8,223	8,892
<i>Government schools</i>	4,206	9,828	7,610	4,842	4,533	4,510
Student assistance	1,532	4,263	5,160	4,983	5,042	5,240
General administration	38	333	342	322	296	291
School education - specific funding	721	1,458	930	1,253	1,416	1,371
Total education	22,601	34,895	32,996	29,577	30,275	31,262
Health						
Medical services and benefits(a)	20,767	22,251	22,893	22,595	24,087	25,534
Hospital services	3,023	2,198	3,025	2,609	2,714	2,701
Health care agreements(b)	10,505	-	-	-	-	-
National health and hospitals network(c)	-	11,224	12,036	26,575	28,695	30,959
Pharmaceutical services and benefits	9,210	9,808	10,248	10,762	11,076	11,740
Aboriginal and Torres Strait Islander health	523	642	711	707	678	701
Health services	3,720	5,045	6,002	6,322	5,859	5,840
General administration	1,291	1,619	1,963	2,388	2,652	2,611
Health assistance to the aged(d)	107	-	-	-	-	-
Total health	49,146	52,786	56,880	71,958	75,761	80,085
Social security and welfare						
Assistance to the aged	40,367	40,662	44,018	46,993	50,070	52,786
Assistance to veterans and dependants	6,902	6,901	6,982	6,864	6,760	6,656
Assistance to people with disabilities	17,229	18,002	20,265	21,421	22,704	23,986
Assistance to families with children	38,381	30,060	30,436	31,361	32,179	33,046

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Table A1: Estimates of expenses by function and sub-function (continued)

	Actuals		Estimates		Projections	
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Social security and welfare (continued)						
Assistance to the unemployed and the sick	5,098	7,016	7,029	7,245	7,569	8,125
Common youth allowance(e)	2,504	-	-	-	-	-
Other welfare programs	9,235	1,722	1,316	1,234	1,234	1,221
Aboriginal advancement nec	1,703	1,585	1,457	1,340	1,329	1,346
General administration	3,163	3,728	3,458	3,334	3,341	3,382
Total social security and welfare	124,581	109,675	114,961	119,792	125,187	130,547
Housing and community amenities						
Housing	3,430	7,974	4,140	3,284	3,297	3,332
Urban and regional development	139	346	425	168	173	170
Environment protection	1,511	950	867	760	703	672
Total housing and community amenities	5,080	9,270	5,432	4,212	4,173	4,174
Recreation and culture						
Broadcasting	1,495	1,466	1,524	1,569	1,546	1,567
Arts and cultural heritage	1,092	1,039	1,045	984	994	978
Sport and recreation	339	356	367	317	317	320
National estate and parks	180	347	310	289	282	285
Total recreation and culture	3,107	3,208	3,246	3,159	3,139	3,150
Fuel and energy	5,806	8,971	7,607	7,287	7,072	6,800
Agriculture, forestry and fishing						
Wool industry	46	42	43	43	43	43
Grains industry	118	141	145	136	142	148
Dairy industry	55	48	46	46	47	47
Cattle, sheep and pig industry	164	170	174	177	183	183
Fishing, horticulture and other agriculture	256	254	231	226	218	218
General assistance not allocated to specific industries	102	23	22	21	21	22
Rural assistance	1,006	753	440	75	49	49
Natural resources development	388	1,271	1,841	1,680	1,302	1,011
General administration	587	629	644	634	620	621
Total agriculture, forestry and fishing	2,723	3,330	3,587	3,038	2,624	2,342
Mining, manufacturing and construction	1,911	1,690	1,990	2,476	2,513	2,573
Transport and communication						
Communication	509	532	466	414	383	361
Rail transport(f)	254	584	708	1,333	1,771	1,506
Air transport	167	163	234	216	192	198
Road transport(f)	5,490	5,047	2,981	4,162	4,656	3,638
Sea transport	289	292	314	318	332	345
Other transport and communication	232	219	229	221	913	958
Total transport and communication	6,941	6,837	4,932	6,664	8,247	7,006

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Table A1: Estimates of expenses by function and sub-function (continued)

	Actuals		Estimates		Projections	
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Other economic affairs						
Tourism and area promotion	192	172	152	164	167	170
Total labour and employment affairs	3,764	4,706	5,003	4,649	4,615	4,555
<i>Vocational and industry training</i>	1,359	2,030	1,895	1,916	1,879	1,822
<i>Labour market assistance to job seekers and industry</i>	1,859	2,032	2,484	2,207	2,204	2,218
<i>Industrial relations</i>	546	644	624	526	532	515
Immigration	1,276	1,632	1,762	1,525	1,506	1,543
Other economic affairs nec	1,275	2,286	2,232	2,274	2,261	2,220
Total other economic affairs	6,507	8,796	9,150	8,612	8,548	8,489
Other purposes						
Public debt interest	3,946	6,514	9,606	11,463	12,010	11,978
<i>Interest on Commonwealth Government's behalf</i>	3,946	6,514	9,606	11,463	12,010	11,978
Nominal superannuation interest	6,715	6,695	7,065	7,301	7,552	7,818
General purpose inter-government transactions	45,248	47,632	50,403	40,303	42,352	44,216
<i>General revenue assistance - States and Territories</i>	42,395	45,268	48,654	38,161	40,106	41,879
<i>Local government assistance</i>	2,854	2,364	1,749	2,142	2,246	2,337
Natural disaster relief	312	402	577	80	80	80
Contingency reserve	0	-999	1,195	3,329	4,457	7,890
Total other purposes	56,222	60,244	68,846	62,476	66,452	71,982
Total expenses	324,569	343,122	354,644	364,573	380,997	397,981

- (a) The estimated financial impact of premium growth on the forward estimates for the Private Health Insurance Rebate has been allocated to the Contingency Reserve, due to commercial sensitivities.
- (b) The relevant agreement expired in 2008-09.
- (c) The name of this sub-function has been changed from 'National healthcare specific purpose payment' to better reflect the 2010 COAG health and hospitals reform. However the National healthcare specific purpose payment will remain in place for the 2009-10 and 2010-11 financial years. Western Australia will continue to receive the National Healthcare Specific Purpose Payment whilst it is not a signatory to the *National Health and Hospitals Network*.
- (d) 'Health assistance to the aged' sub-function has been reclassified as 'assistance to the aged' sub-function (social security and welfare function) from 2009-10 onwards.
- (e) 'Common youth allowance' sub-function has been reclassified as 'student assistance' sub-function (education function) and 'assistance to the unemployed' sub-function (social security and welfare function) from 2009-10 onwards.
- (f) Most road and rail funding from 2009-10 is currently classified under the road transport sub-function and will be reclassified between the road and rail transport sub-functions as programs of work are determined.

APPENDIX B: THE CONTINGENCY RESERVE

The Contingency Reserve (other purposes function) is an allowance, included in aggregate expenses, principally to reflect anticipated events that cannot be assigned to individual programs in the preparation of the Australian Government budget estimates. The Reserve is used to ensure that the budget estimates are based on the best information available at the time of the Budget. It is not a general policy reserve.

While the Reserve is designed to ensure 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. These allowances are removed from the Reserve and allocated to specific agencies for appropriation and for outcome reporting closer to the time when the associated events eventuate.

The Contingency Reserve makes allowance in 2010-11 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, known as the conservative bias allowance. This allowance has been set at 2.0 per cent of total general government sector expenses (excluding GST payments to the States) in the third year of the forward estimates period (2013-14), 1.0 per cent in the second year (2012-13), and 0.5 per cent in the first forward year (2011-12);
- a provision for underspends in the current financial year reflecting the tendency for budgeted expenses for some agencies or functions not to be met;
- commercial-in-confidence and national security-in-confidence items that cannot be disclosed separately, and programs that are yet to be renegotiated with State and Territory governments;
- decisions made too late for inclusion against individual agency estimates;
- the effect on the budget and forward estimates of economic parameter revisions received late in the budget process and hence not able to be allocated to individual agencies or functions; and
- a provision for events and pressures that are reasonably expected to affect the budget estimates.

The Contingency Reserve also makes provision for future increases in Australia's Official Development Assistance yet to be allocated to specific aid programs. However, in this budget statement, those expenses are allocated to the general public services function (see page 6-9 for further information).

The Contingency Reserve also includes provisions for future equity investments in the National Broadband Network. This is subject to the Government's final response to the implementation study and, accordingly, is not disclosed.

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At the time of the 2009-10 MYEFO, estimates of the revenue from, and the expenses of, the Carbon Pollution Reduction Scheme (CPRS) were included in the Contingency Reserve. The Government recently announced it will not move to introduce the CPRS until after the end of the current commitment period of the Kyoto Protocol and only when there is greater clarity on the actions of other major economies including the United States, China and India.

This means that the Government will not move to legislate the CPRS before the end of 2012 and will only do so after this time if there is sufficient international action. The financial impact of a future CPRS will depend on the timing of its commencement. As the timing is uncertain, no financial implications of the scheme have been included in the forward estimates and previous estimates in the Contingency Reserve have been removed.

APPENDIX C: ADDITIONAL AGENCY STATISTICS

Table C1: General government expenses by agency

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	1,714	1,573	1,358	1,318	1,328
Grains Research and Development Corporation	135	140	131	133	140
Total	1,849	1,713	1,489	1,451	1,468
Attorney-General's					
Attorney-General's Department	879	840	811	793	804
Australian Customs and Border Protection Service	1,102	1,089	1,067	1,086	1,097
Australian Federal Police	1,387	1,386	1,391	1,400	1,377
Australian Security Intelligence Organisation	411	416	420	422	448
Family Court of Australia	165	182	176	178	179
High Court of Australia	19	19	19	19	19
National Capital Authority	26	29	31	31	32
Total	3,989	3,961	3,915	3,929	3,956
Broadband, Communications and the Digital Economy					
Australian Broadcasting Corporation	1,111	1,151	1,168	1,188	1,204
Australian Communications and Media Authority	271	273	272	267	260
Department of Broadband, Communications and the Digital Economy	1,481	1,455	1,468	1,415	1,422
Special Broadcasting Service Corporation	315	314	326	330	332
Total	3,178	3,193	3,234	3,200	3,218
Climate Change and Energy Efficiency					
Department of Climate Change and Energy Efficiency	829	1,554	469	99	92
Total	829	1,554	469	99	92
Defence					
Australian War Memorial	50	50	50	50	50
Defence Housing Australia	843	833	923	898	885
Defence Materiel Organisation	10,662	11,535	10,803	10,368	11,341
Department of Defence	26,907	27,631	27,193	28,166	30,042
Department of Veterans' Affairs	11,988	12,194	12,136	12,098	12,090
Total	50,450	52,243	51,105	51,580	54,408
Education, Employment and Workplace Relations					
Comcare	360	322	338	349	359
Department of Education, Employment and Workplace Relations	43,566	44,436	43,207	44,626	46,633
Total	43,926	44,758	43,545	44,975	46,992

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Table C1: General government expenses by agency (continued)

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Environment, Water, Heritage and the Arts					
Bureau of Meteorology	307	321	322	316	317
Department of the Environment, Water, Heritage and the Arts	4,438	2,791	2,804	2,479	2,275
National Gallery of Australia	39	40	41	41	42
National Library of Australia	75	75	75	75	75
National Museum of Australia	47	45	45	46	46
Total	4,906	3,272	3,287	2,957	2,755
Families, Housing, Community Services and Indigenous Affairs					
Department of Families, Housing, Community Services and Indigenous Affairs	68,133	72,589	76,247	80,583	84,165
Indigenous Business Australia	185	160	135	139	144
Total	68,318	72,749	76,382	80,722	84,309
Finance and Deregulation					
Australian Electoral Commission	123	266	119	126	273
Department of Finance and Deregulation	8,805	9,768	10,218	10,167	8,759
Future Fund Management Agency	211	229	254	296	315
Total	9,139	10,263	10,591	10,589	9,347
Foreign Affairs and Trade					
AusAID	3,104	3,976	4,096	4,712	4,733
Australian Trade Commission	412	377	377	373	372
Department of Foreign Affairs and Trade	1,377	1,314	1,309	1,285	1,295
Export Finance and Insurance Corporation (National Interest component)	66	57	51	45	41
Total	4,959	5,724	5,833	6,415	6,441
Health and Ageing					
Australian Sports Commission	248	273	253	256	259
Department of Health and Ageing	42,616	45,849	48,550	50,454	52,941
National Blood Authority	902	965	1,068	1,176	1,292
National Health and Medical Research Council	769	837	818	811	843
Total	44,535	47,924	50,689	52,697	55,335
Human Services					
Centrelink	2,943	2,688	2,587	2,581	2,622
Department of Human Services	1,985	2,006	2,018	2,057	2,097
Medicare Australia	769	728	732	729	754
Total	5,697	5,422	5,337	5,367	5,473
Immigration and Citizenship					
Department of Immigration and Citizenship	1,906	2,035	1,800	1,798	1,834
Total	1,906	2,035	1,800	1,798	1,834

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Table C1: General government expenses by agency (continued)

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Infrastructure, Transport, Regional Development and Local Government					
Civil Aviation Safety Authority	154	170	175	179	186
Department of Infrastructure, Transport, Regional Development and Local Government	4,244	4,137	5,227	6,089	5,188
Total	4,398	4,307	5,402	6,268	5,374
Innovation, Industry, Science and Research					
Australian Nuclear Science and Technology Organisation	217	238	228	230	233
Australian Research Council	702	761	848	894	905
Commonwealth Scientific and Industrial Research Organisation	1,168	1,183	1,203	1,238	1,279
Department of Innovation, Industry, Science and Research	4,498	4,764	4,564	4,397	4,282
Total	6,585	6,946	6,843	6,759	6,699
Parliament					
Department of Parliamentary Services	145	147	147	150	152
Total	145	147	147	150	152
Prime Minister and Cabinet					
Department of Prime Minister and Cabinet	146	164	180	136	137
National Archives of Australia	74	77	76	78	78
Total	220	241	256	214	215
Resources, Energy and Tourism					
Department of Resources, Energy and Tourism	931	1,032	1,103	976	752
Tourism Australia	161	142	158	159	161
Total	1,092	1,174	1,261	1,135	913
Treasury					
Australian Bureau of Statistics	339	427	616	369	347
Australian Office of Financial Management	6,575	9,623	11,476	12,024	11,988
Australian Securities and Investment Commission	444	434	422	431	429
Australian Taxation Office	16,846	16,809	18,515	19,451	19,856
Department of the Treasury	89,374	85,093	84,236	89,261	91,254
Total	113,578	112,386	115,266	121,536	123,874
Small agencies	5,067	5,397	5,160	5,050	5,091
Whole of government and inter-agency amounts(a)	-26,509	-25,064	-22,159	-20,265	-13,991
AEIFRS expenses considered other economic flows(b)	-5,135	-5,701	-5,279	-5,629	-5,973
Total expenses	343,122	354,644	364,573	380,997	397,981

(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 and swap interest expense as detailed in Statement 9 Note 13.

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Table C2: Departmental expenses by agency

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	666	678	676	661	662
Grains Research and Development Corporation	135	140	130	133	140
Total	801	818	806	794	802
Attorney-General's					
Attorney-General's Department	261	266	276	272	273
Australian Customs and Border Protection Service	1,099	1,085	1,059	1,080	1,091
Australian Federal Police	1,360	1,347	1,358	1,386	1,374
Australian Security Intelligence Organisation	411	416	420	422	448
Family Court of Australia	164	182	176	177	178
High Court of Australia	19	19	18	19	19
National Capital Authority	16	16	16	16	17
Total	3,330	3,331	3,323	3,372	3,400
Broadband, Communications and the Digital Economy					
Australian Broadcasting Corporation	1,112	1,151	1,168	1,188	1,204
Australian Communications and Media Authority	108	110	109	104	98
Department of Broadband, Communications and the Digital Economy	156	116	104	93	88
Special Broadcasting Service Corporation	315	314	327	330	331
Total	1,691	1,691	1,708	1,715	1,721
Climate Change and Energy Efficiency					
Department of Climate Change and Energy Efficiency*	116	99	66	65	61
Total	116	99	66	65	61
Defence					
Australian War Memorial	50	50	50	50	50
Defence Housing Australia	843	833	923	898	885
Defence Materiel Organisation	10,662	11,535	10,803	10,368	11,341
Department of Defence	23,404	23,887	23,283	24,078	25,772
Department of Veterans' Affairs	335	344	345	346	350
Total	35,294	36,649	35,404	35,740	38,398
Education, Employment and Workplace Relations					
Comcare	361	322	339	350	358
Department of Education, Employment and Workplace Relations	920	910	891	881	884
Total	1,281	1,232	1,230	1,231	1,242

Statement 6: Expenses and Net Capital Investment

Table C2: Departmental expenses by agency (continued)

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Environment, Water, Heritage and the Arts					
Bureau of Meteorology	287	301	312	316	318
Department of the Environment, Water, Heritage and the Arts*	610	556	559	544	506
National Gallery of Australia	39	40	41	41	42
National Library of Australia	75	75	74	75	75
National Museum of Australia	47	45	46	46	46
Total	1,058	1,017	1,032	1,022	987
Families, Housing, Community Services and Indigenous Affairs					
Department of Families, Housing, Community Services and Indigenous Affairs	601	586	584	540	546
Indigenous Business Australia	185	160	135	138	144
Total	786	746	719	678	690
Finance and Deregulation					
Australian Electoral Commission	122	208	119	127	205
Department of Finance and Deregulation	453	496	465	458	454
Future Fund Management Agency	27	32	32	33	34
Total	602	736	616	618	693
Foreign Affairs and Trade					
AusAID	145	219	197	189	188
Australian Trade Commission	212	226	227	223	222
Department of Foreign Affairs and Trade	973	1,017	1,017	996	1,007
Total	1,330	1,462	1,441	1,408	1,417
Health and Ageing					
Australian Sports Commission	248	273	252	256	258
Department of Health and Ageing	712	746	742	753	756
National Blood Authority	11	11	11	9	9
National Health and Medical Research Council	46	45	47	47	48
Total	1,017	1,075	1,052	1,065	1,071
Human Services					
Centrelink	2,943	2,688	2,587	2,581	2,622
Department of Human Services	756	729	700	701	706
Medicare Australia	764	728	732	729	754
Total	4,463	4,145	4,019	4,011	4,082
Immigration and Citizenship					
Department of Immigration and Citizenship	1,283	1,234	1,197	1,209	1,239
Total	1,283	1,234	1,197	1,209	1,239

Statement 6: Expenses and Net Capital Investment

Table C2: Departmental expenses by agency (continued)

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Infrastructure, Transport, Regional Development and Local Government					
Civil Aviation Safety Authority	154	170	174	178	186
Department of Infrastructure, Transport, Regional Development and Local Government	219	225	218	211	220
Total	373	395	392	389	406
Innovation, Industry, Science and Research					
Australian Nuclear Science and Technology Organisation	217	238	229	230	233
Australian Research Council	20	22	21	21	21
Commonwealth Scientific and Industrial Research Organisation	1,168	1,183	1,203	1,238	1,279
Department of Innovation, Industry, Science and Research	363	394	394	392	375
Total	1,768	1,837	1,847	1,881	1,908
Parliament					
Department of Parliamentary Services	125	126	127	129	131
Total	125	126	127	129	131
Prime Minister and Cabinet					
Department of Prime Minister and Cabinet	137	155	171	127	124
National Archives of Australia	74	77	76	78	78
Total	211	232	247	205	202
Resources, Energy and Tourism					
Department of Resources, Energy and Tourism	97	91	92	79	70
Tourism Australia	161	142	158	159	161
Total	258	233	250	238	231
Treasury					
Australian Bureau of Statistics	339	427	616	369	347
Australian Office of Financial Management	16	18	13	13	10
Australian Securities and Investment Commission	378	366	352	357	352
Australian Taxation Office	3,065	3,188	3,248	3,317	3,233
Department of the Treasury	182	178	165	162	158
Total	3,980	4,177	4,394	4,218	4,100
Small agencies	4,235	4,498	4,248	4,156	4,150
Whole of government and inter-agency amounts(a)	-11,314	-12,126	-11,258	-10,268	-11,234
AEIFRS expenses considered other economic flows(b)	-1,143	-1,290	-1,204	-1,245	-1,314
Total departmental expenses	51,542	52,317	51,656	52,632	54,383

(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.

* Departmental expenses for the Department of Climate Change and Energy Efficiency and the Department of the Environment, Water, Heritage and the Arts do not yet reflect administrative order changes that transferred responsibility for energy efficiency programs.

Statement 6: Expenses and Net Capital Investment

Table C3: Net capital investment by agency

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	11	8	2	-3	-4
Total	11	8	2	-3	-4
Attorney-General's					
Attorney-General's Department	93	60	21	4	-31
Australian Customs and Border Protection Service	6	19	-3	-11	-12
Australian Federal Police	158	62	89	9	-21
Australian Security Intelligence Organisation	-19	10	74	109	-16
Family Court of Australia	2	0	0	0	0
High Court of Australia	1	4	0	0	1
National Capital Authority	30	13	1	-5	-5
Total	271	168	182	106	-84
Broadband, Communications and the Digital Economy					
Australian Broadcasting Corporation	40	14	0	0	0
Australian Communications and Media Authority	14	3	-1	0	-1
Department of Broadband, Communications and the Digital Economy	37	219	5	-15	-15
Special Broadcasting Service Corporation	4	2	2	3	-6
Total	95	238	6	-12	-22
Climate Change and Energy Efficiency					
Department of Climate Change and Energy Efficiency	39	4	-1	8	7
Total	39	4	-1	8	7
Defence					
Australian War Memorial	13	5	-6	-7	-6
Defence Housing Australia	204	109	-18	22	-51
Defence Materiel Organisation	-50	0	0	0	0
Department of Defence	2,761	3,635	3,122	2,119	2,418
Department of Veterans' Affairs	6	22	-10	-8	-8
Total	2,934	3,771	3,088	2,126	2,353
Education, Employment and Workplace Relations					
Comcare	1	1	8	10	1
Department of Education, Employment and Workplace Relations	72	1	-8	-1	-1
Total	73	2	0	9	0

Statement 6: Expenses and Net Capital Investment

Table C3: Net capital investment by agency (continued)

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Environment, Water, Heritage and the Arts					
Bureau of Meteorology	33	24	12	9	4
Department of the Environment, Water, Heritage and the Arts	812	716	203	374	-5
National Gallery of Australia	62	14	13	13	16
National Library of Australia	2	11	-2	-3	-3
National Museum of Australia	11	19	21	14	13
Total	920	784	247	407	25
Families, Housing, Community Services and Indigenous Affairs					
Department of Families, Housing, Community Services and Indigenous Affairs	4	1	-6	21	-10
Indigenous Business Australia	22	-2	-2	-2	-3
Total	26	-1	-8	19	-13
Finance and Deregulation					
Australian Electoral Commission	6	-2	-2	8	-4
Department of Finance and Deregulation	59	158	221	140	-102
Future Fund Management Agency	2	-1	-1	-1	-1
Total	67	155	218	147	-107
Foreign Affairs and Trade					
AusAID	3	13	13	-5	-5
Australian Trade Commission	8	-2	0	7	-3
Department of Foreign Affairs and Trade	12	126	104	184	213
Total	23	137	117	186	205
Health and Ageing					
Australian Sports Commission	1	-1	0	-1	-1
Department of Health and Ageing	175	43	-125	-20	-49
National Health and Medical Research Council	0	-1	-1	-1	-1
Total	176	41	-126	-22	-51
Human Services					
Centrelink	34	43	34	-39	-21
Department of Human Services	8	19	21	1	8
Medicare Australia	43	6	15	-8	-10
Total	85	68	70	-46	-23
Immigration and Citizenship					
Department of Immigration and Citizenship	82	123	-28	-39	139
Total	82	123	-28	-39	139

Statement 6: Expenses and Net Capital Investment

Table C3: Net capital investment by agency (continued)

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Infrastructure, Transport, Regional Development and Local Government					
Civil Aviation Safety Authority	-1	0	-6	-6	-7
Department of Infrastructure, Transport, Regional Development and Local Government	-414	-4	-8	-7	-2
Total	-415	-4	-14	-13	-9
Innovation, Industry, Science and Research					
Australian Nuclear Science and Technology Organisation	10	12	1	-1	13
Australian Research Council	5	1	0	0	-2
Commonwealth Scientific and Industrial Research Organisation	33	62	56	19	-12
Department of Innovation, Industry, Science and Research	23	59	4	-2	-1
Total	71	134	61	16	-2
Parliament					
Department of Parliamentary Services	21	50	-2	-14	-14
Total	21	50	-2	-14	-14
Prime Minister and Cabinet					
Department of Prime Minister and Cabinet	5	0	-4	-3	-3
National Archives of Australia	3	-5	-6	-7	-6
Total	8	-5	-10	-10	-9
Resources, Energy and Tourism					
Department of Resources, Energy and Tourism	1	-1	-1	-1	-1
Tourism Australia	1	-1	0	-1	-1
Total	2	-2	-1	-2	-2
Treasury					
Australian Bureau of Statistics	8	12	-2	-7	-5
Australian Office of Financial Management	0	0	2	0	0
Australian Securities and Investment Commission	47	13	-18	-18	-10
Australian Taxation Office	37	53	26	33	-6
Department of the Treasury	4	-2	-2	-2	-2
Total	96	76	6	6	-23
Small agencies	159	168	67	-11	-28
Whole of government and inter-agency amounts(a)	10	-131	-104	6	11
AEIFRS movements in non-financial assets considered other economic flows(b)	1,091	993	148	-3,900	552
Total net capital investment	5,847	6,775	3,917	-1,036	2,902

(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, assets recognised for the first time and prepayments.

Statement 6: Expenses and Net Capital Investment

Table C4: Capital appropriations by portfolio

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	11	13	12	14	14
Total	11	13	12	14	14
Attorney-General's					
Attorney-General's Department	36	70	55	37	24
Australian Customs and Border Protection Service	5	107	84	80	80
Australian Federal Police	57	67	62	79	86
Australian Security Intelligence Organisation	16	90	91	51	29
Family Court of Australia	0	9	9	9	9
High Court of Australia	1	9	4	5	5
National Capital Authority	3	13	15	10	10
Total	118	365	320	271	243
Broadband, Communications and the Digital Economy					
Australian Broadcasting Corporation	18	16	0	0	0
Australian Communications and Media Authority	4	17	9	10	9
Department of Broadband, Communications and the Digital Economy	3	306	2,003	5	5
Special Broadcasting Service Corporation	5	6	5	0	0
Total	30	345	2,017	15	14
Climate Change and Energy Efficiency					
Department of Climate Change and Energy Efficiency	59	7	2	10	8
Total	59	7	2	10	8
Defence					
Australian War Memorial	9	7	7	7	7
Defence Housing Australia	201	44	0	0	0
Department of Defence	2,624	3,578	3,242	2,096	2,372
Department of Veterans' Affairs	21	43	18	19	19
Total	2,855	3,672	3,267	2,122	2,398
Education, Employment and Workplace Relations					
Department of Education, Employment and Workplace Relations	42	84	79	86	86
Total	42	84	79	86	86

Statement 6: Expenses and Net Capital Investment

Table C4: Capital appropriations by portfolio (continued)

	Estimates			Projections	
	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Environment, Water, Heritage and the Arts					
Bureau of Meteorology	17	73	64	62	57
Department of the Environment, Water, Heritage and the Arts	1,183	343	245	412	33
National Gallery of Australia	33	16	16	16	16
National Library of Australia	10	10	9	10	10
National Museum of Australia	2	2	2	2	2
Total	1,245	444	336	502	118
Families, Housing, Community Services and Indigenous Affairs					
Department of Families, Housing, Community Services and Indigenous Affairs	132	37	30	49	16
Indigenous Business Australia	33	33	33	33	0
Total	165	70	63	82	16
Finance and Deregulation					
Australian Electoral Commission	2	7	7	14	5
Department of Finance and Deregulation	1,303	1,417	1,460	1,453	1,463
Total	1,305	1,424	1,467	1,467	1,468
Foreign Affairs and Trade					
AusAID	9	340	28	254	330
Australian Trade Commission	14	14	16	23	14
Department of Foreign Affairs and Trade	182	130	142	127	164
Total	205	484	186	404	508
Health and Ageing					
Department of Health and Ageing	78	145	40	23	21
National Blood Authority	0	0	1	1	1
Total	78	145	41	24	22
Human Services					
Centrelink	19	200	197	101	63
Department of Human Services	8	40	40	18	25
Medicare Australia	42	52	60	38	35
Total	69	292	297	157	123
Immigration and Citizenship					
Department of Immigration and Citizenship	97	267	119	109	109
Total	97	267	119	109	109

Statement 6: Expenses and Net Capital Investment

Table C4: Capital appropriations by portfolio (continued)

	Estimates			Projections	
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Infrastructure, Transport, Regional Development and Local Government					
Department of Infrastructure, Transport, Regional Development and Local Government	0	1,190	8	8	13
Total	0	1,190	8	8	13
Innovation, Industry, Science and Research					
Australian Nuclear Science and Technology Organisation	0	4	2	4	16
Australian Research Council	4	4	3	3	1
Commonwealth Scientific and Industrial Research Organisation	10	10	0	0	0
Department of Innovation, Industry, Science and Research	65	73	60	49	44
Total	79	91	65	56	61
Parliament					
Department of Parliamentary Services	12	77	32	25	25
Total	12	77	32	25	25
Prime Minister and Cabinet					
Department of Prime Minister and Cabinet	7	4	3	4	4
National Archives of Australia	0	7	7	7	7
Total	7	11	10	11	11
Resources, Energy and Tourism					
Department of Resources, Energy and Tourism	3	1	0	0	0
Tourism Australia	0	13	0	0	0
Total	3	14	0	0	0
Treasury					
Australian Bureau of Statistics	1	44	39	29	32
Australian Office of Financial Management	363,590	367,891	422,927	432,472	447,109
Australian Securities and Investment Commission	8	57	28	28	28
Australian Taxation Office	25	168	154	168	141
Department of the Treasury	75	487	201	39	34
Total	363,699	368,647	423,349	432,736	447,344
Small agencies	74	139	92	72	69
Total capital appropriations	370,155	377,783	431,763	438,170	452,650

(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.

Statement 6: Expenses and Net Capital Investment

Table C5: Estimates of average staffing level (ASL) of agencies in the Australian Government general government sector^(a)

	Average staffing levels		
	2009-10	2010-11	Change
Agriculture, Fisheries and Forestry			
Department of Agriculture, Fisheries and Forestry	4,439	4,491	52
Australian Fisheries Management Authority	221	210	-11
Australian Pesticides and Veterinary Medicines Authority	152	152	0
Australian Wine and Brandy Corporation	44	46	2
Cotton Research and Development Corporation	8	8	0
Fisheries Research and Development Corporation	12	11	-1
Grains Research and Development Corporation	48	52	4
Grape and Wine Research and Development Corporation	11	12	1
Rural Industries Research and Development Corporation	26	28	2
Sugar Research and Development Corporation	7	7	0
Wheat Exports Australia	15	15	0
Total	4,983	5,032	49
Attorney-General's			
Attorney-General's Department	1,455	1,405	-50
Administrative Appeals Tribunal	165	167	2
Australian Commission for Law Enforcement Integrity	20	19	-1
Australian Crime Commission	516	556	40
Australian Customs and Border Protection Service	5,500	5,250	-250
Australian Federal Police	6,500	6,550	50
Australian Human Rights Commission	107	107	0
Australian Institute of Criminology	56	46	-10
Australian Law Reform Commission	18	19	1
Australian Security Intelligence Organisation	1,711	1,800	89
Australian Transaction Reports and Analysis Centre (AUSTRAC)	297	319	22
CrimTrac Agency	193	201	8
Family Court of Australia	618	597	-21
Federal Court of Australia	328	328	0
Federal Magistrates Court of Australia	234	228	-6
High Court of Australia	88	85	-3
Insolvency and Trustee Service Australia	293	314	21
National Capital Authority	52	52	0
National Native Title Tribunal	217	182	-35
Office of Parliamentary Counsel	46	53	7
Office of the Director of Public Prosecutions	584	550	-34
Total	18,998	18,828	-170
Broadband, Communications and the Digital Economy			
Department of Broadband, Communications and the Digital Economy	643	684	41
Australian Broadcasting Corporation	4,500	4,518	18
Australian Communications and Media Authority	600	597	-3
Special Broadcasting Service Corporation	833	833	0
Total	6,576	6,632	56
Climate Change and Energy Efficiency			
Department of Climate Change and Energy Efficiency*	640	910	270
Office of the Renewable Energy Regulator	23	30	7
Total	663	940	277
Defence			
Department of Defence - Civilian	15,320	16,790	1,470
Department of Defence - Military	57,777	57,276	-501
Department of Defence - Reserves	21,574	22,018	444
Department of Veterans' Affairs	1,962	1,907	-55
Australian War Memorial	281	274	-7
Defence Housing Australia	700	599	-101
Defence Materiel Organisation	5,632	5,818	186
Total	103,246	104,682	1,436

Table C5: Estimates of average staffing level (ASL) of agencies in the Australian Government general government sector^(a) (continued)

	Average staffing levels		
	2009-10	2010-11	Change
Departments of the Parliament			
Department of Parliamentary Services	755	735	-20
Department of the House of Representatives	160	158	-2
Department of the Senate	159	159	0
Total	1,074	1,052	-22
Education, Employment and Workplace Relations			
Department of Education, Employment and Workplace Relations	5,500	4,975	-525
Australian Curriculum Assessment and Reporting Authority	74	83	9
Australian Institute for Teaching and School Leadership Limited	20	32	12
Australian Learning and Teaching Council Limited	32	30	-2
Comcare	544	554	10
Fair Work Australia	298	333	35
Office of the Australian Building and Construction Commissioner	155	155	0
Office of the Fair Work Ombudsman	821	846	25
Safe Work Australia	91	110	19
Total	7,535	7,118	-417
Environment, Water, Heritage and the Arts			
Department of the Environment, Water, Heritage and the Arts*	2,652	2,370	-282
Australia Business Arts Foundation Limited	28	28	0
Australia Council	122	122	0
Australian Film, Television and Radio School	170	150	-20
Australian National Maritime Museum	110	127	17
Bundanon Trust	19	19	0
Bureau of Meteorology	1,346	1,365	19
Director of National Parks	282	290	8
Great Barrier Reef Marine Park Authority	219	216	-3
Murray-Darling Basin Authority	273	280	7
National Film & Sound Archive	195	200	5
National Gallery of Australia	242	242	0
National Library of Australia	442	438	-4
National Museum of Australia	250	258	8
National Water Commission	50	59	9
Screen Australia	135	135	0
Sydney Harbour Federation Trust	47	52	5
Total	6,582	6,351	-231
Families, Housing, Community Services and Indigenous Affairs			
Department of Families, Housing, Community Services and Indigenous	2,743	2,715	-28
Aboriginal Hostels Limited	426	442	16
Anindilyakwa Land Council	20	20	0
Central Land Council	155	155	0
Equal Opportunities for Women in the Workplace Agency	20	20	0
Indigenous Business Australia	242	254	12
Indigenous Land Corporation	207	213	6
Northern Land Council	314	314	0
Outback Stores Pty Ltd	120	120	0
Tiwi Land Council	14	12	-2
Torres Strait Regional Authority	79	86	7
Wreck Bay Aboriginal Community Council	4	4	0
Total	4,344	4,355	11

Statement 6: Expenses and Net Capital Investment

Table C5: Estimates of average staffing level (ASL) of agencies in the Australian Government general government sector^(a) (continued)

	Average staffing levels		
	2009-10	2010-11	Change
Finance and Deregulation			
Department of Finance and Deregulation	1,430	1,463	33
Australian Electoral Commission	747	747	0
Australian Rewards Investment Alliance	51	55	4
ComSuper	545	520	-25
Future Fund Management Agency	63	77	14
Total	2,836	2,862	26
Foreign Affairs and Trade			
Department of Foreign Affairs and Trade	3,562	3,622	60
AusAID	907	963	56
Australian Centre for International Agricultural Research	64	64	0
Australian Secret Intelligence Service	-	-	-
Australian Trade Commission (Austrade)	1,029	1,061	32
Export Finance and Insurance Corporation - National Interest Account	9	8	-1
Total	5,571	5,718	147
Health and Ageing			
Department of Health and Ageing	4,586	4,622	36
Aged Care Standards and Accreditation Agency	225	220	-5
Australian Institute of Health and Welfare	285	300	15
Australian Organ and Tissue Donation and Transplantation Authority	33	33	0
Australian Radiation Protection and Nuclear Safety Agency	144	146	2
Australian Sports Anti-Doping Authority	65	65	0
Australian Sports Commission	744	639	-105
Cancer Australia	21	22	1
Food Standards Australia and New Zealand	124	141	17
General Practice Education and Training Limited	35	38	3
Health Workforce Australia	5	96	91
National Blood Authority	43	47	4
National Breast and Ovarian Cancer Centre	33	34	1
National Health and Medical Research Council	220	220	0
Private Health Insurance Administration Council	28	30	2
Private Health Insurance Ombudsman	11	13	2
Professional Services Review Scheme	29	30	1
Total	6,631	6,696	65
Human Services			
Department of Human Services	5,850	5,929	79
Centrelink	25,580	23,700	-1,880
Medicare Australia	5,251	5,161	-90
Total	36,681	34,790	-1,891
Immigration and Citizenship			
Department of Immigration and Citizenship	7,286	7,284	-2
Migration Review Tribunal and Refugee Review Tribunal	317	320	3
Total	7,603	7,604	1
Infrastructure, Transport, Regional Development and Local Government			
Department of Infrastructure, Transport, Regional Development and Local Government	1,095	1,104	9
Australian Maritime Safety Authority	270	290	20
Australian Transport Safety Bureau	102	104	2
Civil Aviation Safety Authority	671	782	111
Total	2,138	2,280	142

Table C5: Estimates of average staffing level (ASL) of agencies in the Australian Government general government sector^(a) (continued)

	Average staffing levels		
	2009-10	2010-11	Change
Innovation, Industry, Science and Research			
Department of Innovation, Industry, Science and Research	1,973	2,288	315
Australian Institute of Aboriginal and Torres Strait Islander Studies	110	115	5
Australian Institute of Marine Science	200	196	-4
Australian Nuclear Science and Technology Organisation	968	1,050	82
Australian Research Council	105	107	2
Commonwealth Scientific and Industrial Research Organisation	5,835	5,706	-129
IP Australia	986	990	4
Total	10,177	10,452	275
Prime Minister and Cabinet			
Department of the Prime Minister and Cabinet	618	704	86
Australian Institute of Family Studies	67	67	0
Australian National Audit Office	346	357	11
Australian Public Service Commission	197	239	42
National Archives of Australia	446	442	-4
National Australia Day Council Limited	12	12	0
Office of National Assessments	140	145	5
Office of the Commonwealth Ombudsman	153	147	-6
Office of the Inspector-General of Intelligence and Security	12	13	1
Office of the Official Secretary to the Governor-General	88	87	-1
Office of the Privacy Commissioner	60	58	-2
Old Parliament House	78	78	0
Total	2,217	2,349	132
Resources, Energy and Tourism			
Department of Resources, Energy and Tourism	440	440	0
Australian Solar Institute Limited	5	5	0
Geoscience Australia	706	678	-28
National Offshore Petroleum Safety Authority	55	62	7
Tourism Australia	208	205	-3
Total	1,414	1,390	-24
Treasury			
Department of the Treasury	1,005	1,010	5
Australian Bureau of Statistics	2,600	2,830	230
Australian Competition and Consumer Commission	756	778	22
Australian Office of Financial Management	37	42	5
Australian Prudential Regulation Authority	652	648	-4
Australian Securities and Investments Commission	1,960	1,954	-6
Australian Taxation Office	21,553	21,828	275
Commonwealth Grants Commission	50	50	0
Corporations and Markets Advisory Committee	3	3	0
Inspector General of Taxation	7	7	0
National Competition Council	12	12	0
Office of the Auditing and Assurance Standards Board	8	8	0
Office of the Australian Accounting Standards Board	24	24	0
Productivity Commission	190	188	-2
Royal Australian Mint	195	191	-4
Total	29,052	29,573	521
TOTAL (for all general government sector agencies)	258,321	258,704	383

(a) This table includes estimates of ASL provided by general government sector agencies. ASL figures reflect the average number of employees receiving salary or wages over the financial year, with adjustments for casual and part time staff, to show the full-time equivalent. This also includes non-uniformed staff and overseas personnel.

* Departmental expenses for the Department of Climate Change and Energy Efficiency and the Department of the Environment, Water, Heritage and the Arts do not yet reflect administrative order changes that transferred responsibility for energy efficiency programs.

