

SUPPLEMENTARY EXPENSE TABLES AND THE CONTINGENCY RESERVE

Expenses

Table 20 shows estimates of Australian Government general government sector expenses by function and sub-function for 2003-04 and the forward years.

Table 20: Estimates of Australian Government general government sector expenses by function

	2003-04			2004-05			2005-06			2006-07		
	Budget \$m	MYEFO \$m	Change on Budget	Budget \$m	MYEFO \$m	Change on Budget	Budget \$m	MYEFO \$m	Change on Budget	Budget \$m	MYEFO \$m	Change on Budget
			%			%			%			
General public services												
Legislative and executive affairs	752	751	0	842	843	0	760	768	1	765	773	1
Financial and fiscal affairs(a)	3,407	3,338	-2	3,516	3,612	3	3,749	3,841	2	3,722	3,760	1
Foreign affairs and economic aid	2,157	2,241	4	2,252	2,310	3	2,314	2,367	2	2,219	2,273	2
General research	2,034	2,024	0	2,108	2,118	0	2,318	2,349	1	2,210	2,265	2
General services	580	567	-2	596	588	-1	594	602	1	601	613	2
Government superannuation benefits	2,120	2,041	-4	2,186	2,098	-4	2,197	2,111	-4	2,204	2,131	-3
Defence	13,970	13,936	0	14,125	13,920	-1	14,555	14,283	-2	15,529	15,162	-2
Public order and safety	2,353	2,428	3	2,237	2,251	1	2,256	2,237	-1	2,259	2,234	-1
Education	13,160	13,447	2	13,928	14,064	1	14,776	14,883	1	15,674	15,749	0
Health(a)	31,365	32,155	3	33,033	33,770	2	34,514	35,259	2	36,095	36,819	2
Social security and welfare(a)	75,455	75,860	1	79,114	79,388	0	82,553	82,779	0	85,922	86,282	0
Housing and community amenities	1,662	1,671	1	1,632	1,644	1	1,598	1,604	0	1,560	1,566	0
Recreation and culture	2,185	2,242	3	2,201	2,249	2	2,209	2,262	2	2,207	2,256	2
Fuel and energy(a)	3,549	3,734	5	3,603	3,881	8	3,655	3,941	8	3,715	4,089	10
Agriculture, fisheries and forestry	1,974	2,444	24	1,831	2,160	18	1,598	1,673	5	1,466	1,543	5
Mining and mineral resources (other than fuels), manufacturing and construction	1,628	1,748	7	1,558	1,756	13	1,404	1,775	26	1,204	1,527	27
Transport and communication	2,272	2,302	1	2,330	2,401	3	1,778	1,849	4	1,667	1,697	2
Other economic affairs												
Tourism and area promotion	126	144	14	130	169	30	131	169	29	118	158	34
Labour and employment affairs	3,381	3,369	0	3,302	3,306	0	3,339	3,338	0	3,416	3,423	0
Other economic affairs nec	750	776	3	749	764	2	751	771	3	741	766	3

Table 20: Estimates of Australian Government general government sector expenses by function (continued)

	2003-04			2004-05			2005-06			2006-07		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
Other purposes												
Public debt interest	4,144	4,004	-3	3,949	3,798	-4	3,501	3,447	-2	3,331	3,366	1
Nominal superannuation interest	5,209	4,913	-6	5,507	5,248	-5	5,591	5,686	2	5,773	5,785	0
General purpose inter-government transactions	3,641	3,066	-16	3,399	2,957	-13	3,712	3,027	-18	2,628	2,239	-15
Natural disaster relief	107	144	35	92	92	0	92	92	0	92	92	0
Contingency reserve	52	-488	-1,038	2,301	2,185	-5	4,231	4,924	16	7,233	8,069	12
Total expenses	178,031	178,858	0	186,521	187,571	1	194,176	196,039	1	202,351	204,635	1

(a) This table reflects the corrigendum numbers issued on 27 May 2003 due to a misclassification between expense functions in the 2003-04 Budget. The misclassification affected the Financial and fiscal affairs, Health, Social security and welfare and Fuel and energy functions in this table, but did not affect the aggregate budget figures.

CONTINGENCY RESERVE

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

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

The Contingency Reserve makes allowance in 2003-04 and the forward years for anticipated events, including the following:

- an allowance for the tendency for estimates of expenses for existing government policy to be revised upwards in the forward years;
- an allowance for the tendency for the estimates of administered expenses for some specific agencies or functions to be overstated in the budget year;
- commercial-in-confidence and national security-in-confidence items that cannot be disclosed separately;
- decisions made too late for inclusion against individual agency estimates;
- the effect on the budget and forward estimates of economic parameter revisions received late in the process and hence not able to be allocated to individual agencies or functions; and
- provision for lapsing programmes and other pressures for funding where the Government has not yet made a final decision but is reasonably expected to do so.

The contingency reserve also includes expenses associated with the Government's major asset sales and associated administration costs.

