

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

Expenses

Table 19 shows estimates of Australian Government general government expenses by function and sub-function for 2005-06 and the forward years.

Table 19: Estimates of Australian Government general government expenses by function and sub-function

	Estimates						Projections					
	2005-06			2006-07			2007-08			2008-09		
	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	788	813	3	826	855	4	941	966	3	787	799	2
Financial and fiscal affairs	3,685	3,650	-1	3,864	3,692	-4	3,763	3,639	-3	3,798	3,688	-3
Foreign affairs and economic aid	3,063	3,032	-1	2,885	3,102	8	3,041	3,492	15	3,138	3,852	23
General research	2,324	2,371	2	2,455	2,401	-2	2,512	2,470	-2	2,509	2,462	-2
General services	576	649	13	629	677	8	648	710	10	657	722	10
Government superannuation benefits	2,363	2,424	3	2,409	2,466	2	2,434	2,525	4	2,479	2,607	5
Defence	15,600	15,761	1	15,851	16,168	2	16,791	16,673	-1	17,238	16,957	-2
Public order and safety	2,721	2,715	0	2,792	2,816	1	2,860	2,831	-1	2,892	2,977	3
Education	15,729	15,690	0	16,541	16,375	-1	17,336	17,162	-1	17,905	17,731	-1
Health	37,544	37,986	1	39,041	39,157	0	40,937	41,076	0	42,812	42,705	0
Social security and welfare	87,564	87,137	0	92,138	92,493	0	95,943	96,709	1	99,789	100,690	1
Housing and community amenities	1,968	2,235	14	2,003	2,231	11	1,992	2,226	12	1,894	1,833	-3
Recreation and culture	2,670	2,709	1	2,575	2,690	4	2,563	2,674	4	2,472	2,529	2
Fuel and energy	4,212	4,026	-4	4,198	3,972	-5	4,340	4,119	-5	4,848	4,666	-4
Agriculture, fisheries and forestry	2,520	3,181	26	2,571	2,697	5	2,408	2,396	0	1,622	1,678	3
Mining, manufacturing and construction	1,916	2,022	6	1,820	1,871	3	1,802	1,882	4	1,833	1,902	4
Transport and communication	2,806	3,033	8	2,972	3,272	10	3,042	3,348	10	2,879	3,189	11
Other economic affairs												
Tourism and area promotion	204	212	4	190	197	4	184	191	4	129	130	1
Labour and employment affairs	3,689	3,799	3	3,876	3,947	2	4,072	4,066	0	4,037	4,086	1
Other economic affairs nec	889	910	2	857	885	3	844	848	0	847	848	0

Table 19: Australian Government expenses by function and sub-function (continued)

	Estimates						Projections					
	2005-06			2006-07			2007-08			2008-09		
	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	3,614	3,643	1	3,532	3,536	0	3,525	3,517	0	3,356	3,337	-1
Nominal superannuation interest	5,654	5,793	2	5,478	5,708	4	5,766	5,684	-1	5,894	5,970	1
General purpose inter-government transactions	3,690	3,639	-1	2,596	2,805	8	2,650	2,867	8	2,563	2,799	9
Natural disaster relief	104	100	-4	104	100	-4	94	94	0	94	94	0
Contingency reserve	187	-490	-362	2,604	2,748	6	4,914	5,099	4	10,095	9,594	-5
Total expenses	206,081	207,038	0	214,806	216,858	1	225,400	227,263	1	236,568	237,843	1

Contingency Reserve

The Contingency Reserve (other purposes function) 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. These allowances are removed from the reserve and allocated to specific agencies for appropriation and for outcome reporting closer to the time when they eventuate.

The Contingency Reserve makes allowance in 2005-06 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 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 events and pressures that are reasonably expected to affect the budget estimates.

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