

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Finance and Administration Portfolio**

**Department of Finance and Administration**

Additional Estimates Hearings 2002-2003 – 11 February 2003

**Question: F11**

**Outcome 1 - Sustainable Government Finances, Output 1.1.2 - Financial Reporting**

**Topic: Analysis of movements in the Commonwealth's Consolidated Balance Sheet**

**Hansard Page: F&PA 152**

**Senator Conroy asked:**

Minister, I am wondering whether you can explain why infrastructure spending seemed to fall by \$1.17 billion or about 90% between 1996 and 2002?

**Answer:**

The question concerns a movement in reported commitments, not expenses or the payment of cash. Commitments are obligations or undertakings to make future payments to entities that exist at the end of a reporting period and have not been recognised as liabilities in the Statement of Financial Position.

The change in the level of infrastructure, plant and equipment commitments since 1995-96 largely reflects a reclassification of the commitments in the Departments of Defence and Foreign Affairs and Trade.

In the case of Defence, infrastructure, plant and equipment commitments (\$449 million in 1995-96) are now disclosed as either Special Military Equipment or other capital commitments, while in the Foreign Affairs Portfolio, the overseas aid program (\$766 million in 1995-96) is now reported as an 'other' commitment.

Total commitments reported at the 30 June 1996 were \$66.172 billion. The amount reported in the Consolidated Financial Statements for the 30 June 2002 was \$72.020 billion.